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16 January 1984

# USSR Report

CONSUMER GOODS AND DOMESTIC TRADE



FOREIGN BROADCAST INFORMATION SERVICE

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16 January 1984

**USSR REPORT**  
**CONSUMER GOODS AND DOMESTIC TRADE**

**CONTENTS**

**CONSUMER GOODS PRODUCTION AND DISTRIBUTION**

Heavy Industry Minister Explains Industry's Role in Consumer Goods (P. Arutyunov; KOMMERCHESKIY VESTNIK, No 21, Nov 83) .....	1
Milk Wasted, Lost in Transport; Solutions Proposed (T. Dzokayeva; LITERATURNAYA GAZETA, 21 Sep 83) .....	7
Glass Production Deficiencies Draw Official Reprimand (V. Zubin; SOTSIALISTICHESKAYA INDUSTRIYA, 15 Sep 83) .....	15
Bread Contains Wooden Splinters, Other Offal, Letter Complains (SOVETAKAN AYASTAN, 12 Nov 83) .....	18
Soviet TV Admits Complaints Against Light Industry (Yuriy Aleksandrovich Letunov; Moscow Television Service, 10 Dec 83) .....	19

**HOUSING AND PERSONAL SERVICES**

BSSR Ministry Official on Domestic Service Problems (I. Terekhov, I. Zaytsev; EKONOMICHESAIA GAZETA, No 41, Oct 83) .....	20
USSR Standard of Living Reportedly Rising (TASS, 7 Dec 83) .....	24
Repair Services for Textile Industry Equipment Considered (Yu. F. Mel'nikov, M. I. Khudykh; TEKSTIL'NAYA PROMYSHLENNOST', No 9, Sep 83) .....	25

## CONSUMPTION TRENDS AND POLICIES

Relationship of Trade Resources to Budget Discussed (Ye. N. Fonarev; FINANSY SSSR, No 9, Sep 83) .....	33
Resources Must Be Mobilized To Feed Population (M. P. Trunov; SOVETSKAYA POTREBITEL'SKAYA KOOPERATSIYA, No 8, Aug 83) .....	41
Role of Individual Consumer Related to Production Goals (I. Myslyaeva; EKONOMICHESKIYE NAUKI, No 10, Oct 83) .....	52
State Should Encourage Secondhand Selling (V. Yakovlev; SOVETSKAYA ROSSIYA, 18 Nov 83) .....	59
Latvian SSR Party Aktiv Meets on Consumer Goods (A. Ye. Voss; SOVETSKAYA MOLODEZH', 19 Nov 83) .....	60

## CONSUMER GOODS PRODUCTION AND DISTRIBUTION

### HEAVY INDUSTRY MINISTER EXPLAINS INDUSTRY'S ROLE IN CONSUMER GOODS

Moscow KOMMERCHESKIY VESTNIK in Russian No 21, Nov 83 pp 2-4

[Article by R. Arutyunov, first deputy USSR minister of Heavy and Transport Machinebuilding (discussion prepared by A. Kibkalo) under rubric "Implementing the Decisions of the 25th CPSU Congress": "The Machinebuilders' Second Occupation"]

[Text] The party and the government are assigning large tasks in the matter of expanding the production of consumer goods in mass demand to the enterprises in Group A industry. Possessing a powerful production base, highly skilled personnel, and tremendous material resources, the branches in heavy industry have considerable reserves for increasing the production of the commodities needed by the public. The ways to resolve this problem are discussed, at the request of the editorial board, by the First Deputy USSR Minister of Heavy and Transport Machine Building, Rafael' Nzhdeyevich Arutyunov.

The decree of the CPSU Central Committee and the USSR Council of Ministers concerning the additional measures for improving the providing of consumer goods to the public, which decree touches upon practically all aspects of the production of commodities, points out that, under the conditions of the increasing saturation of the market, questions that are taking on decisive importance are the questions of the variety and quality of output. Our branch also takes a direct attitude toward the resolution of these problems. The ministry's enterprises currently produce approximately 800 types of articles -- furniture, everyday appliances, commodities for children, vegetable-garden tools and means of low-level mechanization, automobile parts and equipment, sports and tourist articles, and many other items. Every year, absolutely all the enterprises produce commodities with a value of almost 200 million rubles.

The branch constantly carries out work to improve the system of formation of the variety and to improve the quality of the output. Today the task consists in raising the level of that work, in increasing the supervision over the fulfillment of the commodity production plans, in guaranteeing the first-priority provision of the enterprises with equipment and with raw and other materials, and in making more active use of bank credit for increasing the production of articles in mass demand.

What can be said about the quality of the articles that we are producing? Most of them do not languish on the store shelves. The customers eagerly purchase, for example, almost all the articles in the sports category, furniture, the Malyutka washing machine, many of the vegetable-garden tools, children's bicycles, and commodities in other categories. And a factor that is involved here is the increasing role primarily of the comprehensive systems for quality control of the output. Those systems have been introduced at most of our enterprises.

There are regular consultative sessions by experts to consider consumer goods, both requiring certification and those that are not included in that list. The most recent branch evaluation occurred at the ministry in the middle of the year. A commission consisting of designers, technologists, and representatives of trade developed a plan for measures to achieve the further rise in the technical level and quality of articles and their modernization. As always, the experts considered questions concerning the removal from production of obsolete articles and those that are no longer in demand, concerning the improvement of the technological schemes of production, the reduction of the labor intensity, and the expansion of the volumes of the production of output. The commission determined the products list of articles for certification with the State Quality Seal during subsequent years of the five-year plan.

I might note that the percentage of the commodities with improved category of quality is growing. At the present time the branch produces 38 types of articles with the honored pentagon [State Quality Seal], including the Malyutka small-sized washing machine, the Kristall kitchen set, the KVD children's bicycle with pneumatic tires, the luggage holder for passenger cars, water heater, rototiller, and set of engraving tools.

As everyone knows, heavy and transport machine building is one of the key branches of the economy. The bulk of its output consists of large-scale machines and equipment -- diesel locomotives, excavators, portal cranes, rolling milles. Naturally, with this type of output, it is a complicated matter to produce consumer goods. Nevertheless, experience in this important matter is being accumulated. The buildup of the production of articles with mass demand has become an inseparable component of the branch's economic policy.

The party and the government require the increased action in the searching for and using production reserves for increasing the production of commodities. One of the ways to resolve this task is to organize specialized shops and sectors at every enterprise. For the time being, we have 32 such shops and 177 sectors at our disposal. Their number will increase. More than 50 million rubles have been allocated for these purposes in the current five-year plan. This will make it possible to create 38 new shops and to remodel a number of the existing ones. As you can see, the production of commodities for the public will have a substantial material base.

The questions that have now come onto the agenda are those dealing with the efficient use of the material resources, because a series of commodities are manufactured from the by-products of basic production and economized raw materials. A competition for the best development and introduction into production of new commodities made from these types of materials, which was

conducted at enterprises of Mintyazmash, has been very beneficial. The result has been that during the current year 36 such developments have been implemented: vegetable-garden tools, occasional pieces of furniture, articles for children's technical creativity.

But we still have a large quantity of by-products that are suitable for use, especially wood and metal, and that are not finding any application. Therefore it has been decided to conduct an additional competition by the end of the year, and to hold such competitions regularly.

I would like to dwell on the problems of expanding the variety. Here the basic difficulties are linked with the providing of material and technical support to the branch. We constantly suffer from the fact that the enterprises in related ministries do not supply us with sufficient quantities of ferrous metals, tin plate, pressed-wood slabs, or other types of raw materials. Last year, for example, that was the reason for the retardation in the production of heating furnaces, radiators, stainless steel pots and pans, furniture, and a number of the simplest kinds of commodities. Of course, steps are being taken to execute the pledges that were made to the trade system, but, obviously, it is high time to resolve the question of the prompt and complete covering of allocations.

When planning the variety we first of all consider carefully the purchase requests sent in by the trade system. Every enterprise in the branch orients itself on the demands of the local wholesale bases, which reflect the needs that the public in the particular region have for particular commodities. Oblast, kray, republic, and interrepublic trade fairs are also of great benefit in studying demand.

On the other hand, when determining the variety we invariably take into consideration the technological capabilities of the manufacturers -- what can be produced, and at what enterprises -- as well as the nature of the by-products in the basic production process. The factor that is of greatest importance here is specialization. The Dneprodzerzhinsk Railroad Car Plant imeni Gazeta Pravda produces bedroom furniture; the Novokramatorskiy Mashinostroitel'nyy Zavod and Zhdanovtyazmash PO [production associations] produce a broad variety of heating apparatus and garden tools.

However, it cannot be said that we are completely insured against errors when developing the variety. It turns out that we produce a large quantity of articles that the customer does not want to buy. And, on the other hand, there is a very large need for the commodities which are being manufactured in small quantities. In a word, we still have a lot of work to do.

In order to achieve a better balance in the variety, it is necessary first of all to improve the system of long-term ties, giving the advantage at such time to the contracts concluded between the wholesale bases and the producer enterprises for a period of from three to five years. The agreements must be drawn up on the basis of the results of the comprehensive study and forecasting of the public's demands. This approach to the job will make it possible to resolve more successfully the tasks of planning the production of commodities, of developing the optimal variety, and of achieving a consistent improvement in the quality of output. It is also necessary to reduce the periods

of time necessary to assimilate the production of new commodities, and to simplify the coordination of the production of simple articles.

It has been decided that the enterprises that have been the first to assimilate the production of the new and unique articles will be granted the right for their mass production. The introduction of these kinds of output at other plants will be authorized only in the event that the demand for them is not being satisfied.

All the questions linked with the coordination of the work of developing the variety, with developing and introducing new promising articles into production, and with raising the technical level and quality of the mass output are dealt with by our branch technological-design department for consumer goods. It is precisely that subdivision that is supposed to maintain the branch's "commodity" policy most precisely.

One of the basic categories in the articles produced by us is garden tools. Some of these articles are sent to the subsidiary farms at enterprises -- hothouses, animal-breeding, and truck gardens. But the bulk of them are sent to the trade network. These articles include sprinklers with replaceable nozzles, garden carts, rototillers, garden shears, and garden blades. We also produce prefabricated hothouses. Among the technically complex articles we should mention first of all the electrical household pumps, and electrical fodder cutters. Our heating apparatus and our woodworking lathes are in high demand.

At the present time the technical documentation is being developed for a number of new types of articles in this group. In 1985 the Uralmash Association will assimilate the series production of the Druzhba electromagnetic pump for irrigating orchard areas. The Novokramatorskiy Mashinostroitel'nyy Zavod PO will begin making the NKB-1 electrical fodder grinders; and the Nikolayevskiy Machine-Building Plant for Hoisting and Transporting Equipment will begin making diaphragm-type paint units.

Of course, we know that the demand for the technically complicated articles is increased. Unfortunately, in the total output supplied by us for the market, the percentage of the simplest commodities -- souvenirs, toys, pots and pans -- is still high. One of the reasons for the slow assimilation of the technically complicated innovations lies in the difficulties that cannot be overcome by using just our own efforts. It would be possible right now, for example, to organize the production of a mini-tractor for operating on garden areas. That could be undertaken at the new Krasnyazhmarsh Krasnoyarsk Production Association for Heavy Excavators and the Lvov Conveyor-Building Plant. Uralmash has created an experimental model of a small-sized woodworking lathe, and the Riga Diesel-Building Plant, a dish-washer. Items that are of great interest are models of folding sport boats, luggage holders, tents, sauna equipment, and many others. But, for the time being, one can only dream about the mass production of these items.

The difficulties in the material and technical support of the producer enterprises, as everyone knows, did not arise all at once. The fact of the matter is that USSR Gosplan, in conformity with the approved norms, allocates the

material resources only for commodities in a definite products list which has been designated in the plans for economic and social development. At the same time there also exists the category of "other" commodities. Their products list is approved by the ministry itself. These "others" constitute 40 percent of the mass-demand articles produced by the branch. The resources for manufacturing them are planned on the basis of consolidated norm lists (per million rubles of output) without taking the products list into consideration.

Our capabilities would be considerably expanded if the calculated products list for the commodities to be provided with norms included the "other" output and the necessary raw and other materials for allocated for it in a correspondingly planned manner.

The assimilation of new types of technicaliy complicated articles is sometimes hindered by difficulties of another type. Specialists at our enterprises, when asking for the technical documentation for that type of output from the lead construction-planning and design organizations in other ministries frequently receive a refusal. Instances when different departments cannot find a common language in the resolution of problems linked with the production of commodities, it would seem, are by no means infrequent. Not too long ago the First Deputy USSR Minister of Trade P. Kondrashov, making a statement on the pages of PRAVDA, said that a number of ministries frequently duplicate one another in the production of individual commodities, overloading the market with them and hindering sales. In his opinion, the problems of coordinating the exchange of experience in the manufacture of those articles have not been well worked out, nor is the work of improving their quality being coordinated. Well, are we really to believe that it is proper when we were unable, exclusively as a result of formal procrastinations and the lack of coordination among the actions of several minitries, to begin promptly at Uralmash the production of the Malyutka washing machine which now is tremendously popular with the customers?

I am convinced that there is a crying need for the creation of a special nation-wide interbranch coordination center for systematizing the production of consumer goods. It is precisely that center that should coordinate the work of the lead ministries in developing and introducing into production the new types of articles, and should carry out a single technical policy. In particular, it should strive for the unity of the requirements in the directive normative documents (in the GOST [all-union state standards], OST [all-union standards], and RST [republic standards?]), which are used by the State Committee for Prices, VNIITE [All-Union Scientific Research Institute for Aesthetic Styling in Engineering], the lead developer-organizations, enterprises, and institutes.

The functions of that center must include also the comprehensive planning of the production of consumer goods -- the placement and regulation of production, the renovation of the variety, the increase in the quality of the articles, and the determination of the long-term volumes. The chief factor in the work of the center must be the study of the demand for various types of commodities.

As everyone knows, beginning with the third year of the current five-year plan, for the first time in economic practice, assignments are being

established for the branches for the production of consumer goods at the rate of one ruble of the wage fund. Thus the monetary income of the population is linked completely with the production of consumer output. Of course, that overall indicator covers up the rather considerable differences in the volumes of production of the articles at individual enterprises. The branch has plants where, per ruble of wage fund, approximately the same quantity of consumer goods is produced. However, at most of the large-scale plants and associations the volume of production of those commodities, as compared with the overall volume of production of output, continues to be insignificant. The specifics of our branch are such that for several of our enterprises this indicator cannot be very high. But wherever this is possible, we strive to increase it.

During the present five-year plan the volume of production of commodities for the public will increase at enterprises in the branch by 1.7 times. Their variety is annually renewed at the rate of 10 percent, and by 1985 the series production of 200 additional types of new articles will be assimilated. Incidentally, the assignment of a comprehensive program for the renovation of the variety during the first two years of the five-year plan, for the branch as a whole, was overfulfilled -- 186 types of new and modernized articles were produced. It will be necessary to begin the manufacture of the Drug children's folding bicycle (Uzlovskiy Machine Plant imeni I. I. Fedunets), the Oktyabrenok two-wheel unified bicycle (Voroshilovgradteplovoz PO), and the small-sized household woodworking lathe (Novokramatorskiy Machine-Building Plant), to assimilate the production of a heating apparatus using solid fuel, and also an electrical fodder grinder. The trade system will also receive a number of other articles that are in high demand. Our production plan for the current year is a tense one (growth rates as compared with last year are 14.3 percent). The enterprises in the ministry have also been given an additional assignment to manufacture commodities with a value of 5 million rubles. A large amount of intensive work is under way in the branch.

All this takes on special significance as a result of the fact that the CPSU Central Committee and the USSR Council of Ministers have adopted a decree concerning additional measures to expand the rights of the production enterprises, in accordance with which USSR Mintyazhmash, as one of five branches, becomes the base for the carrying out of an extremely important and very promising experiment. All the subdivisions and enterprises in the branch are currently preparing for it. And, without a doubt, the program of operations that are planned is being closely coordinated with the plans for the expansion of the production of consumer goods, which has been necessitated by the truly owner's self-interest in achieving high effectiveness in all links of production.

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## CONSUMER GOODS PRODUCTION AND DISTRIBUTION

### MILK WASTED, LOST IN TRANSPORT; SOLUTIONS PROPOSED

Moscow LITERATURNAYA GAZETA in Russian 21 Sep 83 p 13

[Article by T. Dzokayeva, candidate of economic sciences: "A Milky Way On the Earth"]

#### [Text] Is It Not Alchemy?

I admit that I at times share the opinion of people who no longer believe in milk. They consider it artificial, call it "powdered", look suspiciously at the bottles of "mozhayskiy" and even more suspiciously at the inscription "homogenized", etc.

They say: "Alchemy!"

I also wanted to find out about this at the plant.

Industry, of course, cannot supply us with a curative beverage under the name "fresh milk". As if in compensation for this, however, it has offered numerous other products that are difficult for home production.

Previously inconceivable transformations are taking place with milk in the plant. Not only temperature conditions but also mechanical and physical effects are exerting an enormous effect upon it. It can be separated into layers, the parts divided from each other, they can be extracted, the fat globules can be destroyed (this, incidently, is "homogenization"), and "each vitamin" can be extracted from it. They can be passed through membranes as if through a sieve and they can be fished out by molecules using ultrasound action and grouped according to their class and amount. Finally, water can be separated from it in powerful spray dryers and the so-called "dry substance" can be extracted under temperatures of hundreds of degrees.

Of course, all of these "super-processes" do not take place so simply. A portion of the vitamins and salts is destroyed and lost, they do not stand up to shipment, and enzymes disappear. This, however, does not mean that natural milk is becoming artificial. Why then are we often dissatisfied with milk products, why do we not recognize them, why do we not catch the aroma? This can be caused by only one thing--violations of the technology.

Conclusion. For the beginning, cf. LITERATURNAYA GAZETA, No 37, 1983.

Take dried milk, as an example. It permits us to maneuver milk stocks year-round, even during those months with the lowest milk yields.

In principle, this is the same natural product. The milk can be restored to life with all its natural properties. However, for life to begin to gleam in it again, it is not sufficient to only mix "powder and water". A special and extremely complicated technology, whose observance must be absolutely correct and without the slightest deviation, exists for this.

"What, for example, can these deviations be?"

The "production secrets" were revealed by one of the workers: "It happens that bags with dry milk are stored in damp structures and the dry material clumps together into enormous lumps which in no way break down. You see, every microparticle must be separated and properly saturated with moisture".

The observance of technological norms is no less important during the processing of natural milk. The norms are designed for a high production sanitation level.

The sanitary and epidemiological service protects the consumer's interests. Its strict monitoring does not let poor quality products out of the enterprises. In order for there not to be any losses, however, it is necessary to take more effective action against violators. However, the rights and influence measures of a sanitary inspector are not many. A 10-ruble fine imposed on the director -- this is, apparently, the highest punishment measure. It would probably be worthwhile to grant this service greater rights.

The accurate observance of technological discipline is acquiring special significance in connection with the growth in the production of fat-free products.

"The 1-percent kefir is a lot of trouble, and there is dissatisfaction at the plant. We can't even get it to the store before the protein breaks away and the whey separates."

In the scientific research institute, however, they think that deviations from the special technologies which have been developed for these products are the reason for these troubles.

As is evident, the question of improving the quality of milk products is linked with the observance of production and technological discipline in the enterprises. This reserve does not require additional material expenditures. Its essence is simple: Everyone at a work position must do that which is dictated by his service obligations.

However, there are also other problems in the Ministry of the Dairy Industry, which require time and additional material and labor resources. There is the problem of fully using dairy raw materials.

During recent decades, the production of fat-free products has grown sharply both here and in the countries of the world. The words: "yellow" and "yellowish tint"--the color of the fat globules in milk--are being encountered more and more rarely in state specifications. Dairy products are becoming white. The demand for the albumin portion of milk is strongly growing.

These trends are dictated to an enormous degree by economic reasons, by the limitedness of natural resources. This is adequately illustrated by the fact that from 21 to 27 tons of milk are required for 1 ton of butter. And the demand for this and other products is constantly growing. This means that the milk, which is required for butter and also for cheese, must be used completely, manufacturing other products also from it. There is, however, another reason which has given birth to the demand for fat-free products. People are reexamining their attitude toward their own nourishment and are renouncing unnecessary calories: They do not want to become like the characters of Rabelais. And then, production interests are being shifted to the so-called "secondary resources" of the dairy industry--skim milk, buttermilk and whey--products into which half of the protein substances settle.

However, I hear a frightened warning in the ministry's offices:

"Never say these words again. We have no 'secondary resources.' All of our dairy raw material is primary!"

Well! I agree. The industry itself still gives me a reason for using these forbidden words, however.

#### Secondary, But Not Minor!

It happens that you see an enormous river. It appears to be deep and full of water. But you take a step--and you are disappointed: The bed is covered with silt. Would anyone regard the grains of gold in a gold-bearing as silt, however? Throw them out as waste?

The milk, which is gathered in the country from millions of streams, is that same gold-bearing river. And its particles cannot become like silt which is discarded in the wastes. The river of milk, however, is seemingly practically obstructed. Its dry substances, which are often confused with wastes because of a misunderstanding, sink to the bottom. Actually, there is a life creating force in them.

What is happening?

If water is evaporated from whole milk, a dry concentrate is obtained in which there are no "first" and "last" grams. They are all identically valuable. And then it is possible to measure milk not in liters but in grams of dry material. Thus, cow's milk has approximately 12 percent of them, goat's milk -- 14, and sheep's milk -- 19. There are enterprises which completely process the raw material to the last gram -- for example, the Novocherkasskiy Dairy Plant. However, fat-free products are not being completely processed in many enterprises,

and part of them become waste. At the same time, more than half of the dry matter existing in whole milk--more than 8 percent in fat-free milk and 6 percent in whey--remains in these products. It turns out that these dry substances are being likened to silt covering the bottom of our river of milk. To regard the secondary products of the dairy industry as worthless and minor means that a considerable part of the resources will not be utilized.

In the rays of the Caucasus mountains where a dairy diet is traditional, a glass of buttermilk and some fresh bread has been the daily "working" meal, along with fine cheese pies. It has happened that the old men have gathered around planed wooden tables and conducted their wise conversations, drinking whey, which has been diluted with water, in small sips. The mountain beauties, who astonish one with the thickness of their black hair and the whiteness of their faces use whey for cosmetic purposes. Was it possible to talk about the preparation of bread if there were no whey in the house to mix up with the dough?!

Today's industry has incomparably broader opportunities for using whey. It is possible by separation to extract lactose or protein. It is possible to dry it and then to add it to food products, including meat or fish. It is possible to obtain alcohol by adding yeast, use it in wine production, etc.

Arguments and doubts are beginning over the methods and estimates of the use of dairy products, when the "profitable-unprofitable" scales are used. Let us try to manipulate these scales.

I will make a reservation in advance. As soon as I engaged in a conservation with a specialist on the use of dairy raw material, my preconceived notions about something called economics or economic interests, were quickly smashed.

I addressed V. Yagranovskiy, a specialist on drying processes: "Is it possible to dry whey the same as milk is dried?"

He answered my question with a question: "It is. It upsets me greatly when we do, however. Why should we run a unit costing a million rubles, when we are not even compensated for the energy costs?"

"Then, ship it all to the bakery industry. Around 800,000 tons are being sent there now, after all."

V.F. Galkina, an economist in the All-Union Scientific Research Institute of the Dairy Industry, objects briefly: "And the expenses for transportation?"

Yes. As they say: "Pennywise--pound foolish." Approximately 400 vehicles are engaged every day in shipping whey to the bakery industry. Although every ton of whey saves 40 kilograms of flour in the baking of bread, this why provides no income for a dairy plant. Frequently, its transportation does not justify even the gasoline expenses.

My ardor cooled down: "That means that it is necessary to thicken it."

That is possible, of course. That is possible....

One thing should not be done, however. It should not be dumped into the sewer. And the sewer grate can be closed only when economics tip the scales to the "profitable" side.

Concerning secondary dairy products, it is possible to say today: "These are cheap but valuable products." The price of these products does not correspond to their biological properties. Thus, whey is 100-fold cheaper than whole milk but its biological value is only threefold lower. Other products are 10-30-fold cheaper than milk.

The low prices determine the nature of using secondary resources. A considerable percentage of them is returned to agriculture and is used to feed cattle. A mandatory norm exists for returning skim milk to the farms. This is a by-product which goes to feed cattle. By the way, these return norms do not exist anywhere in other countries, and the amount of whole milk which goes to feed cattle is significantly less than here. The adjustment of the relationships between that part of the milk which goes to feed people and the other part which is intended for fodder needs, is a very serious task for an agro-industrial complex.

In order to solve the complex problems in using secondary resources, a change in the prices for them suggests itself in order to interest enterprises in their processing. A very rapid shift to the complete evaluation of milk instead of the present system of evaluating it only partially, only its fat content.

It will also be necessary to create sufficient milk substitutes for livestock. The All-Union Scientific Research Institute for the Dairy Industry is now actively engaged in this. In a word, there are many problems; and if it is impossible to solve all of them immediately, at least priorities should be outlined....

There are still losses, however, which should not exist. These are losses of milk in trade because of poor packaging.

#### Where It Is Thin, There It Leaks

Although the norms for milk losses on the way from the plant to the store are continually being lowered and are now 0.3 percent, it would be no sin against the truth if this figure were rounded off to one percent, including "above-plan" losses. I will quote LITERATURNAYA GAZETA, which has repeatedly demonstrated a concern for this. Approximately six million tons of milk are sold a year in packaged form. This means that the losses are approximately 60,000 tons annually.

Approximately 20 years ago, our industry moved on a vast basis to meet a new principle for selling milk. In selecting the packaging, one requirement was

put in the first spot--consumer convenience. It seemed that the only acceptable form of packaging had been found--a disposable triangular carton. The triangular carton has been condemned by the consumer, because of the enormous milk losses. A variety of packaging--paper and plastic--has come and gone. There is once more an interest in bottled milk.

I asked the following question in various organizations: "For all that, what is the reason for the continuous losses of milk?"

They explained in the Ministry of the Meat and Dairy Industry: "During shipment to the store, the packages are packed in metal baskets which scratch the paper with their wire edges."

R.A. Shkabydova, a packaging specialist, bears witness to this: "Structurally, the triangular carton has one weak spot. The paper is lined on the inside with film; and only the place, where it is glued, remains unprotected. Moisture penetrates through this seam. All the other designs are aimed at overcoming this defect."

Other defects, however, are arising whose cause is simply poor work in many sections.

The triangular carton has two other seams, which are connected as if by ironing.

Raisa Alekseyevna continues: "We call this device in the automatic machine an iron. Everyone knows, however, how carefully one must treat an iron even in private life. It is the same here." She points out a brown, that is a burned, seam on a package. On the other hand, another one was insufficiently glued. In both cases, the automatic machine had operated incorrectly.

Raisa Alekseyevna says: "Incidentally, pay attention to how they clean the automatic machines in some plants. They douse them with water hoses. If paper is inside, it can become wet and the packages will quickly swell from the absorbed moisture."

In a word, the recipe for making "accident-free" packaging is simple--the observance of technological discipline....

Everyone has noticed the customers' rough handling of the cartons when they are making their selection in the store. They squeeze the cartons as though they were rubber, throw them from one basket to another.... Frequently, this is all it takes to make the cartons begin leaking the milk. However, the purchaser can say: "Where it is thin, there it leaks"....

I ask in the store: "Who bears the cost of these losses?"

The salespeople reply: "No one, they write them off for us in the plant."

Because the losses are written off and, consequently, no one specifically has responsibility for them, the plant is indifferent toward improving the system for monitoring the quality of the packaging. This control is primitive: It

is squeezed with a hand, it does not begin to leak--this means that everything is O.K. Instruments, however, are being invented for better quality control, for example, a device called the AI-OGP. It could establish the number of poor cartons at the plant and determine who is to blame for the losses--trade or industry? This and other devices, however, are not being introduced. They are not being used even in enterprises where they exist. Is it not because it is simpler--in other words, there is less responsibility involved--to operate without them?

During last year's International Milk Congress, the problem of milk leakage was not discussed in a single one of the enormous number of reports. The question of packaging was a critical one; however, for other reasons: convenience, economy, the cleanliness of the surroundings, ...they did not talk, however, about losses from broken containers. So that is our own problem. It seems that the main reason here is violations of discipline, including technological discipline.

#### Disconnected Junction

It is not possible to solve everything at once. There is, however, one reserve which seems free and especially important in this regard. Why is there at times such tolerance regarding losses in cooperating departments? Is it not because the milk's long transit chain has not been linked together economically? Each link is separated and isolated from the other. Each has its own material interests. Thus, the dairy plant waits for its subsidies from the state, throwing out the lion's share of the raw materials in the process. The kolkhozes try to secure for themselves as much milk as possible to feed the livestock. In trade, the losses from spilled milk are carefully written off as "no one's" fault. The transportation workers are reimbursed for their ton-kilometers regardless of the cost and preserved quality of the milk.

"If a machine arrives late at the farm and the milk has turned sour, who pays?"

They counter in the RSFSR Ministry of the Meat and Dairy Industry: "It should not turn sour, it is refrigerated."

"Half of it is not refrigerated!"

"We will not go to such a farm. Let them deliver it themselves to the plant."

It really happens this way often. "They themselves are delivering it to the plant." I remember one trip like this--in a tractor, over bumpy roads, the milk--in an unsuitable open container. Just as the tractor took it so the tractor brought it back. They did not accept it at the plant, it had become too dirty--yes, and the acidity had jumped heavily.

When examining the ministry's report for 1982, I stopped at a number under a graph with the brief categorical word "waste!"--37,000 tons!

"Why, that's not much at all," the ministry workers assure me. But this is milk, after all, which has been refused by the plants possibly for the very reason that it was not delivered in good time!

The economic paradox, which exists here--milk production is often unprofitable in agriculture, but the industry processing it is highly profitable, is explained by the fact that the interests of the different areas are not connected!

In the ministry, they try to convince one: "Remember that we purchase milk from the state and not from the kolkhozes!"

It is known, however, that economics is a special type of creditor. It does not forgive debts. Sooner or later, it will collect them through increased prices.

Today is the time of agroindustrial unification. This phenomenon is not only a technological and organizational one but also an economic one. It has been dictated by the need to restore the unity of production links that have spread so much and become outwardly isolated--a disconnected junction. Milk production is one of the types that needs this unification most. Milk should pass through all the main branches within 2-3 days: agriculture, industry, trade and transportation. To run one economic thread through them and connect them with a single interest--this is the most important condition for creating an agroindustrial complex.

The dairy industry has summed up its work results for the first 6 months of 1983. The figures, which describe milk production, are comforting. State purchases increased by 13 percent in comparison with the same period of last year. The Food Program is working! One can learn in the display pavilion of the Exhibition of Achievements of the National Economy of the USSR how to use the milk we receive, efficiently and attractively. One finds there a great number of the most varied types of products that satisfy the highest demands of practicality and refinement in their design. The latest innovation, the pride of our industry--the products of the Istrinskiy Production Association for the output of children's dairy products--is represented here. All of this is evidence of real opportunities for the complete and rational use of all milk raw material. In these enterprises, there is really no longer any boundary between the concepts of primary and secondary resources. I would like the pavilion's boundaries to be expanded and the exhibits to become the products of our stores.

8802  
CSO: 1927/27

## CONSUMER GOODS PRODUCTION AND DISTRIBUTION

### GLASS PRODUCTION DEFICIENCIES DRAW OFFICIAL REPRIMAND

Moscow SOTSIALISTICHESKAYA INDUSTRIYA in Russian 15 Sep 83 p 2

[Article by V. Zubin, division chief, USSR Ministry of the Construction Materials Industry: "What are the Glasses Clinking For?" ]

[Text] Many probably remember the "crystal boom" a few years ago. Crystal items sold like hotcakes and there were lines for them. The situation even got to the point where explanatory documents were necessary.

Now there is a completely contrasting picture. Recently all sorts of crystal vases, pitchers, decanters, etc. have been gathering dust on the shelves and consumers are indifferent to them.

All this is, first of all, of concern to us, workers at the Ministry of the Construction Materials Industry, the nation's main producer of glass, or so-called high quality dishware, including crystal. The ministry's enterprises produce more than a billion rubles worth of it annually.

In thinking about the reasons for the existing situation we should, on the one hand, see it as the result of a saturated market for goods which were recently in increased demand. We should be satisfied -- the shortage was overcome! On the other hand, the drop in demand for one of our products is cause for serious reflection.

There has occurred, if one can so put it, a redistribution in consumer taste. There is now activity at counters where they sell wine glasses, goblets, mugs, tall glasses and small items for the serving table -- salt shakers, platters, candy dishes made from colored or plated glass. People have turned to comparatively small and inexpensive items and to items in sets or collections.

In short, the changing market situation presents glass and crystal plants in the ministry with problems both in the further improvement of assortments and in product quality.

What is being done in the sector to solve them?

Above all, enterprises have been made strictly responsible for meeting consumers' demands. Assortments are systematically updated and everything which is not in demand by the public is, as a rule, removed from production. For example, at the

Raduga Production in Lvov production was quickly curtailed for 13 types of products and at the Neman Plant in Belorussia this was done for 23 types. These enterprises simultaneously expanded the manufacture of crystal glasses. The Gusevskiy crystal plant has made a decisive turn towards the satisfaction of consumer demand. The production of new inexpensive low lead crystal items has begun at the Armsteklo Plant in Yerevan.

There is a gradual increase in the production of high quality dishware which is in great demand. This is taking place through the reconstruction of existing enterprises and the introduction of progressive technology. The development of electrical furnaces and continuous shaft ovens is a major achievement in Soviet glass making. This has considerably increased the output from furnace units and sharply improved quality.

At the Dyatkovo Crystal Plant they have mastered the technology for the mechanized manufacture of crystal glasses and their subsequent heat finishing. Master craftsmen at the Gusevskiy Crystal Plant have developed and introduced technology for the manufacture of items with complex shapes through the premolding process. This makes it possible to produce various types of highly artistic items, goblets, tall and short wine glasses without additional working of the individual elements. The new method has become widespread in the sector and has been mastered by practically all leading plants producing high quality ware.

Nevertheless not everything has been done yet to restructure work to meet the consumer's contemporary demands.

There is a resonating question which was put to us at an exhibit: Why are you so slow in reorienting towards the production of items corresponding to present market conditions?

As is known, artistic glassware -- and this is what the discussion should be about in this case -- has, since time immemorial been produced on the basis of craftsmen's highly skilled labor. This was primarily manual labor, and it remains so today. Just how can assortments be updated and output simultaneously increased. There is only one solution -- the systematic mechanization of glass and crystal production processes. To be frank, however, our ministry does not have great potential in this direction. Our main supplier, Minlegpishchemash [Ministry of machinebuilding for Light and Food Industry and Household Appliances] over the past 10 years has not created a single mechanized line for the production of glass items in great demand.

The ministry still diligently retains the old APP-12 press, which has been in production for more than 50 years. As they say, glassware makers and even gears have grown old on it. The new AP-24 press has twice the productivity, but it is not in series production. For a long time Minlegpishchemash has explained this as due to the lack of a base for press testing. In order to solve this problem, our ministry has transferred one of its enterprises to the machinebuilders. However, this has been of little help.

Here is another example, a few years ago the Gusevskiy filial of the sector's institute for glass created a device for decorating items using a multicolor silkscreen press -- the PFS automat. An experimental model was manufactured.

Last year it was approved for series production by an interdepartmental commission which included representatives from Minlegpishchemash. However, the Steklomash Association did not include the device in the production plan for this, nor for next year.

Throwing our hands up in despair after a prolonged correspondence with the management of Minlegpishchemash, we were able to have a joint conference this March with its representatives A. Orlov, Yu. Bukreyev L. Puchkov and V. Yushkin at USSR Gosplan Department of Machinebuilding for the Light and Food Industries. The protocol approved by D. Pishchikov, the department head, noted that Minlegpishchemash is not fulfilling the contracted delivery plans and is not mastering the production of new types of equipment.

The protocol's deadline for eliminating the defects passed and we were once compelled to deal with this problem. The volume of machine production for 1984 will be at the 1976 level. During this time glassware production has increased 1.4 fold. Moreover, on its own initiative, Minlegpishchemash has completely reoriented its leading glass machinery plant in Gus-Khrustalniy to the production of equipment for garment workers. Minstroymaterialov turned to Gosplan for an explanation of this. The answer was that the plant's product assortment had changed because we did not support it with orders. True. We are not ordering machinebuilders to build obsolete equipment which is simple and troublefree to produce.

Keep in mind that we are talking of minimal demands to be made of machine builders. After all, it has long been time to introduce robots and manipulators into the production of high quality dishware in order to mechanize very labor intensive manual operations in the processing, sorting and packing of items.

It seems to us that there is also another problem, which concerns more than glassware production. This is the existing procedure of planning the production of mass consumption goods. The plan includes, on the one hand, all items and materials supplied to the public, and on the other, cultural-service and economic goods defined by instructions from Gosplan and USSR TsSU [Central Statistical Administration]. How justified is this dual planning? The limited list of goods in these instructions definitely hinders the initiative of enterprises to expand the assortment of items which could be supplied to a broad market. Often even workers at the TsSU and Gosplan cannot answer why one item is included in the instructions and another is not.

I have named the main problems which require a solution to prevent the growing demand for high quality dishware produced by our glass plants from turning into another large shortage. The consumer will accept no excuses. It goes without saying that we are happier with crowds than with empty counters. However, this can occur only if each customer leaves with the purchase they wanted.

11574  
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CONSUMER GOODS PRODUCTION AND DISTRIBUTION

BREAD CONTAINS WOODEN SPLINTERS, OTHER OFFAL, LETTER COMPLAINS

GF071530 Yerevan SOVETAKAN AYASTAN in Armenian 12 Nov 83 p 1

[Letter of complaint sent by three Dzolagar villagers to SOVETAKAN AYASTAN]

[Text] People are always perturbed when consumer goods, clothes, and products purchased from a shop are substandard. However, they are more enraged when the food products are of low quality, particularly our daily bread.

The article entitled: "The Quality Is the Denominator of Good Work" carried in SOVETAKAN AYASTAN on 26 October pleased us because it showed the producers themselves are concerned about the quality of consumer goods.

While hailing that good initiative of the textile workers, we the residents of Dzolagar village in Mardun rayon beg you to become involved in an issue of vital importance to us.

A Dzolagar resident rarely finds fresh bread. The bread delivered is never of the same standard in quality and appearance. There is no scheduled time for bread delivery; often it is sent at night and early in the morning. Whenever it is delivered, a queue forms. Thus, we are obliged to leave our work or not send the children to school in order to buy bread.

On 2 October this year we weighed four "high" quality loaves of bread, which totaled 3.5 kgs instead of 4 kgs. SOVETAKAN AYASTAN daily has commented on such problems lately.

The irresponsibility and indifference have reached such a level that there are sack threads, wooden splinters, and other substances in the bread. On many occasions, we have contacted the Mardun bread factory directorate and the organization about adhering to hygiene laws in this regard, but to no avail.

The most important part of everyday food is bread, which preserves our health. Thus, that responsible and honorable work should be entrusted to conscientious people.

[Signed] Derenik Gevorkyan (teacher), Pagrad Gamazyan (disabled veteran of the patriotic war), and Valya Kishmiryan (nurse).

## CONSUMER GOODS PRODUCTION AND DISTRIBUTION

### SOVIET TV ADMITS COMPLAINTS AGAINST LIGHT INDUSTRY

[Editorial Report] Moscow Television Service in Russian at 0650 GMT on 10 December carries the 30-minute "Political Observer's Talk" program with Yuriy Aleksandrovich Letunov.

Letunov begins the program by noting that recent fall sales of clothing yielded poor results. He cites Ye.V. Anisimov, chief arbiter of the USSR State Board of Arbitration, who noted in a recent interview that there have been many complaints directed at light industry enterprises, that "in 1981 USSR Ministry of Light Industry Enterprises paid R73 million in fines, more than R13 million of them associated with poor quality goods," and urged industry leaders to pay close attention to the fact that there were more than R1 billion of reserves of unmarketable and shopworn goods at the beginning of 1983.

The remaining 27 minutes of the program is a video report on the Moskva Sewing Production Association and its "Myzhskaya Sorochka" store, which specializes in men's shirts. Video shows various departments in the store and Letunov interviewing I.Ya. Kremenetskiy, the association's general manager; N.M. Solovyeva, the association's chief artist; and M.T. Gadzhinskiy, the store manager. They detail the operations of the association and the store, noting the high-product quality, planning and designing activities, and association's sophisticated equipment including a computer center and automated control systems. Problems mentioned include lack of flexibility by the Ministry of Trade regarding planning and production, lack of sufficiently varied fabrics being received from suppliers, and a shortage of rustproof pins.

In conclusion Letunov outlines the socialist pledge made by Soviet enterprises to improve consumer goods quality.

CSO: 1827/66

## HOUSING AND PERSONAL SERVICES

### FSSR MINISTRY OFFICIAL ON DOMESTIC SERVICE PROBLEMS

Moscow EKONOMICHEСAYA GAZETA in Russian No 41, Oct 83 p 17

[Article by I. Terekhov, director of the economic planning administration of the BSSR Ministry of Domestic Services, and I. Zaytsev, Collegium secretary, in the column "Production-Trade-Service": "As It Is Required... the Problems of Developing Domestic Services"]

[Text] A combined receiving center has been operating for more than 10 years in Sosnovka Village, Grodno Oblast. Vladimir Ivanovich Moroz, who works there as a receiving clerk, shoe repairman and chief, always welcomes his fellow villagers warmly.

One can bring linen for washing, clothes for drycleaning, or shoes for repair, can fill out an order form for a new dress or call on a repairman to fix a television or refrigerator, etc., at the combined receiving center. In all, there are approximately 20 services offered to the population of the village. And as a result, the combined receiving center always fulfills its production quotas and socialist obligations. For example, the quotas for two and a half years of the 5-year plan have been met ahead of schedule. Domestic services take an average of more than 40 rubles of the budget for each resident of the area served. In comparison, for instance, in Minsk, Brest, and other cities of the republic, this indicator is lower.

Similar examples of the work of rural domestic service enterprises are common. The successful work of the domestic service enterprises of Yel'skiy and Kalinkovichskiy Rayons, Gomel Oblast, can also be mentioned. It is not an accident that the collectives of these enterprises have become winners of the All-Union and republic socialist competition in work results for the second year of the 5-year plan.

The form of domestic services has also changed noticeably in many other republic rayons. The services mentioned in the decree of the CPSU Central Committee and the USSR Council of Ministers are developing successfully. These include repair of household equipment, drycleaning of clothes, laundering, and television repair, which are intended to restore the consumer qualities of the products.

### How to Evaluate

At the present time, the volume of services for the public per capita is practically the only evaluation indicator of the development and work of the domestic service enterprises. But is it always possible to see the state of development of the sector as a whole and the separate sectorial groups? In our opinion, no. And primarily because, in many republics, there are not uniform prices for the same types of domestic services.

Obviously, a most thorough specification and adducing, so to speak, to some average figure is necessary here. Some steps were taken in this direction in due course. Specifically, uniform nationwide price handbooks were developed and introduced for certain kinds of services. However, recently, the USSR State Committee on Prices has again started to recommend only general patterns.

Several years ago, to evaluate objectively the work of domestic service enterprises and to limit the development of such types of services as custom tailoring clothes, knitting tricot articles, and manufacturing furniture, the planning and accounting of these types of services have been put into practice without including the cost of raw materials and materials. This step undoubtedly helped to improve domestic services for the public and increase the volume of repair and restoration work and services of a personal nature, the growth rate of which has increased considerably.

Such work is also done at our ministry's enterprises. However, we have noticed that with the change of domestic enterprises to planning and accounting of services without including the cost of raw materials and materials, in the past year alone, the over-all volume of cost of the services is 13 million rubles lower, or 1 ruble and 35 kopecks lower per resident, than before.

Let us emphasize, however, that the decline of the indicator does not mean in any way that the services are worse because the physical volume and the number of customers being served have increased. Probably, for comparison and a more objective evaluation of the work of the domestic services enterprises in the regions, it would be advisable, in our opinion, to complete the transition of all republic ministries of domestic services to the new planning method excluding the calculation of raw materials and materials, to standardize the price handbooks and tariffs for services, or to introduce readjustment factors when determining the service volume estimated per resident.

### What Is Behind the Total Indicator

I would also like to dwell on this problem. Everyone knows what an important role services such as washing clothes play for a housewife. As economists have figure out, families who use these services save up to 24 days of free time per year; actually, it is a second vacation.

Today in Belorussia, the volume of laundry services per capita amounts to slightly over two rubles. But if one takes a closer look at the components of the indicator, then it turns out that the status of this type of service does not meet the demands. The fact is that the volume has been increased at the expense of the services of the enterprises and organizations, and only one-third of the service work is performed for individual orders.

A similar picture can also be seen with other types of services. Probably, the work of domestic service enterprises must be evaluated not according to the total indicator, but with due regard to the public's orders that have been filled, as it is done today in the Estonian SSR.

It would be advisable in the volume of services estimated per resident to include only the work done for the public which was paid for in cash. This indicator, in our opinion, must be the main one in evaluating the economic-financial work of enterprises and the economic incentive of the worker collectives. To maintain the workload of available capacities, it is possible to provide services to organizations as well, but without including them in the indicators of serving the public.

Or let us take the use of production capacities. So far, there is still no uniform method of accounting and reporting of their availability and utilization. One may ask how it is possible at the present time to assign valid production quotas to enterprises without knowing their capacities.

#### Where to Take...?

Although the domestic services for the public have been formed into an independent sector of the national economy, the practice of planning and statistics that now exists negates its economic unity in practice: The results of the work of the domestic service workers are taken into account in both the production and non-production areas. For example, the services of sewing, shoe and knitting subsectors of domestic services are considered light industry; the services of repairing and manufacturing furniture are classified with the timber, wood-working and paper and pulp industry; the services for repairing and manufacturing metal products are included in the machine-building and metal-working industry, and so on. These are what are designated as the production types of services.

Another part of domestic services encompassing such services as hair-cutting, public baths, showers, and rentals, etc. is classified with the nonproduction sector of the national economy. And, actually, only this part of domestic services for the public has been given the status of an independent sector of the nonproduction sphere. Furthermore, according to official statistics, four fifths of all domestic services are classified with the production sphere. Thus, the image of the sector is created by only one fifth of the services. The impression is created that domestic services for the public are provided, not by one independent sector, but by several of them, a little at a time.

Today there is no sound method for wages and incentives for the work of domestic service workers; the existing methods are departmental in nature and attribute the payment of an enterprise to one sector or another. And as a result, the agencies of the Belorussian SSR Ministry of Finance and the republic State Committee for Labor often refuse to accept them. This creates additional difficulties in practical operations and causes a considerable turnover in personnel.

A number of problems in the work of enterprises of domestic services for the public occur in connection with the use of the operative instructions of the USSR Central Statistical Administration regulating the accounting of the volume of domestic services provided, which limits the enterprises' independence in questions of developing new types and modes of services.

Last year, in Belorussia alone, approximately 10 million rubles of profits from the public were not realized because of the limitations (to put it mildly) on the manufacturing of small batches of such products as household bags made from fabric remnants, belts, ribbons, buttons, small straps, gloves, work clothes (jackets for machine operators and overalls), and so forth.

Improvement in the problems of planning and accounting in domestic service enterprises will aid a further increase in the domestic service workers' interest in the end results of their labor and that means in improving the quality and manner of service, production efficiency and an increase in the volume of domestic services, development of new progressive work methods which are dictated by the times and required by the decree of the CPSU Central Committee and the USSR Council of Ministers on "Further Development and Improvement of Domestic Services for the Public."

12478  
CSO: 1827/21

## HOUSING AND PERSONAL SERVICES

### USSR STANDARD OF LIVING REPORTEDLY RISING

LD071721 Moscow TASS in English 1210 GMT 7 Dec 83

[Text] Moscow, 7 December, TASS--TASS commentator Nikolay Fyodorov writes: There has been a noticeable rise in the living standards of the Soviet people in recent years. This is seen from the statistics recently published by the Central Statistical Board and the USSR Committee for Prices.

The further improvement of the well-being has become possible above all due to the permanent growth of the population's real income, which is ensured in conformity with the socio-economic programme drawn up by the Soviet state up to the period of 1990. Today the real income of the Soviet people is 22 per cent up on the level of 1975. Pay is on a permanent increase in this country, while the prices of the basic consumer goods remain stable. Thus, the prices of bread and bakery have remained unchanged since 1954, of meat and milk--since 1962. Over almost three decades the general increase in the prices of some goods was only 9 per cent, while the pay has been increased by 150 per cent.

The Soviet state maintains a low rate of the housing rent, of pay for public utilities and transport. It compensates for 70 per cent of these spendings, which total annually more than 8,000 million roubles. The housing rent in our country has remained unchanged for more than half a century now, and makes at the present time on an average 2.6 per cent of the family budget.

The prices of a number of consumer goods have been considerably cut as of 1 December, this year, including the prices of colour television sets, radio appliances, photographic cameras and domestic bridges. The annual gain of the population from the price cuts will total 2,600 million roubles.

The purchasing power of the Soviet people is on an increase. Today they spend 50 per cent more on foods, and 100 hundred per cent more on other consumer goods than 10 years ago.

The steady rise in the living and cultural standards of the Soviet people have become possible due to the steady rise in labour productivity and development of the Soviet economy.

CSO: 1827/59

## HOUSING AND PERSONAL SERVICES

UDC 658.58:677.05

### REPAIR SERVICES FOR TEXTILE INDUSTRY EQUIPMENT CONSIDERED

Moscow TEKSTIL'NAYA PROMYSHLENNOST' in Russian No 9, Sep 83 pp 9-12

Article by Yu.F. Mel'nikov, professor and chief of the Administration for Power engineering and Mechanics of the USSR Ministry of Light Industry and M.I. Khudykh, doctor of technical sciences at the Kostroma Textile Institute: "Vital Problems Concerned With Technical Servicing and Repair of Textile Equipment"/

Text Within the USSR Minlegprom Ministry of Light Industry system, planned work is being carried out in connection with the technical re-equipping and modernization of existing and also the construction of new enterprises. Compared to 1975, the fixed productive capital increased by a factor of 1.4 in 1982 and the pool of machines, machine tools and other equipment -- by a factor of 1.5. The leading rate of growth in equipment compared to that for fixed productive capital is the result of the stable process of production intensification that has been taking place in the light industry in recent years.

The textile branch is one of the most mechanized branches of the national economy. Technological equipment constitutes more than 60 percent of the active portion of its fixed productive capital. For the most part, the branch is equipped with highly productive machines and units, which in turn have complicated electronic, pneumatic, hydraulic and other systems for administration and control. The mentioned equipment is being operated under conditions involving high speeds, dynamic workloads involving high coefficients for shift work and also under rather difficult climatic conditions (dustiness, humidity and so forth). Thus an improvement in the operational reliability of the textile equipment is an important condition for its efficient operation.

The leading experience of a number of textile industry enterprises (Alma-Ata Cotton Combine imeni 50-Letiya Oktyabr'skoy Revolyutsii, Chernigov Worsted Cloth Combine imeni 50-Letiya Sovetskoy Ukrayiny and others) reveals that improvements in the operational reliability of technological equipment must be carried out based upon the following:

...improvements in technical servicing;

...the use of efficient equipment repair methods;

...introduction of the brigade form for organizing and stimulating the labor of workers engaged in the technical servicing and repair of equipment;

...modernization of equipment;

...extensive utilization of the capabilities of an TsRM /central repair shop/ and repair plants.

Of the mentioned directions to be pursued, the most important is a complex of organizational and technical measures for ensuring unconditional observance of the established regulations for tending the technological equipment. The fact of the matter is that the textile machines, machine tools and units have a very low KPD /efficiency factor/, on the order of 5-10 percent. All of the power consumed by this equipment is expended for overcoming those frictional forces which occur in kinematic pairs. Thus the need for strictly observing the regimes and norms for cleaning and lubrication and for exercising constant control over the carrying out of the official instructions for the technical servicing of the machines, machine tools and units is completely obvious.

In the process, importance is also attached to planned training for the workers and to equipping the repair personnel with instruments and implements.

In 1982 the territorial organs of USSR Gosnab and the State Energy Control carried out inspections at many textile enterprises. Crude violations of the regimes established for equipment maintenance were uncovered, as a result of which the losses in electric power amounted to 20 percent.

Last year alone the textile industry spent more than 100 million rubles on the capital repair of equipment.

A search must be carried out for the reserves needed for reducing expenditures for the maintenance and repair of textile equipment. It is our opinion that the solution for these problems lies in improving intra-factory centralized repair operations and reducing its volumes based upon the development of inter-factory and inter-branch centralized repair services.

At the present time, intra-factory centralized repair work is being carried out for the most part. Great successes are being achieved in organizing this work at such combines as the Alma-Ata Cotton Combine imeni 50 Letiya Oktyabr'skaya Revolyutsiya, the Ivanovo Blended Material Combine imeni K.I. Frolov, the Rodnikov Bol'shevik Blended Material Combine, Kherson Cotton Combine, Darnitskiy Silk Combine, Krengol'mskaya Manufaktura Cotton Combine, Zhitomir Flax Combine, Ogre Knitted Goods Combine imeni 50-Letiya VLKSM and others. However the experience accumulated at the mentioned enterprises has not been introduced sufficiently into operations. For example, in 1982 the standard technology was employed for carrying out repairs on not more than 25 percent of the ATPR pneumatic-foil weaving machines, approximately 30 percent of the STB type micro-shuttle weaving units and on less than 50 percent of the BD type spinning machines.

It bears mentioning that at the Kostroma Technological Institute, the OSKB of the Ministry of Light Industry for the Ukrainian SSR and the TsPKTB /Central

Planning, Design and Technological Office<sup>7</sup> for the RSFSR Ministry of the Textile Industry, there are some fine works having to do with improving the repair technology for these machines and machine tools, the use of which will enable the textile enterprises to raise sharply the level of the repair work being carried out.

In recent years, the system of inter-factory centralized repair of equipment has undergone greater development. This method is being used for restoring Autosuk basic winding machines at enterprises in Riga, Kiev, Alma-Ata and Reutovo (Moscow Oblast), BD-200 spinning machines in Moscow and others. During the current five-year plan, 30 more repair sectors will be placed in operation. Nevertheless, the rates for introducing this inter-factory centralized repair system into operations are still inadequate.

Minlegpishchemash [Ministry of Machine Building for Light and Food Industry and Household Appliances] is the principal supplier of textile equipment and thus it would seem that the problems of technical service should be included in the technical policies of this ministry. Even in early 1970, the inter-branch centralized repair of knotting machine carriers was organized at the Kolomna Machine Building Plant. This made it possible to solve satisfactorily the complicated problem of restoring these units. Unfortunately, the experience accumulated by the Kolomna workers has still not been disseminated further among the machine builders.

From 12 to 15 percent of the overall number of workers at the textile enterprises are engaged in ensuring the efficiency of the equipment, that is, the technical servicing and repair of the equipment. Their number includes mechanic-repair workers, lubricators, cleaners and the personnel of rolling, battening, sharpening and other specialized workshops. The efficient organization of their labor is exerting a substantial influence with regard to raising the operational reliability of the technological equipment.

Work is presently being carried out at many enterprises in connection with the introduction of new type brigades for the repair of technological equipment. Up to 60 percent of the repair personnel will be working in such brigades prior to the end of the five-year plan. In organizing repair worker brigades, a thorough understanding of the nature of the repair work to be carried out must be acquired and a mechanism must be developed which will make it possible to realize the greatest results. Interest is being displayed in organizing the labor of workers engaged in the technical servicing and repair of technological equipment at the Chernigov Worsted Cloth Combine imeni 50-Letiya Sovetskoy Ukrayiny. A successful experiment has been underway at this enterprise since 1980, an experiment which calls for personnel engaged in the cleaning and lubrication of technological equipment to be placed at the disposal of the services of the chief mechanic. These services have been assigned the function of carrying out an entire volume of work associated with the technical servicing and repair of technological equipment. The departmental personnel of the principal production operation is responsible for operating the equipment in keeping with the existing regulations. The new type brigades, responsible for the operation, technical servicing and repair of the equipment, are organized in conformity with the statute for a production brigade, brigade leader and council for a brigade of the USSR Minlegprom.

An efficient means for preventing the process of obsolescence from taking place in textile equipment is that of modernization. Analysis reveals that 2-3 generations of machines are constantly in operation and that modernization makes it possible to raise their reliability with comparatively low expenditures. Each year, up to 80,000 units of various types of technological equipment are modernized. These are mainly machines and machine tools for spinning and weaving production operations.

Fine results in this regard have been achieved by enterprises in the Russian Federation, the Ukraine and Belorussia. At the same time, we are forced to state that proper attention is not being given to this work in Turkmenia, Kirghizia, Armenia and Azerbaijan.

Under conditions involving production intensification, accelerated physical wear and tear of the equipment and a shortage of purchased spare parts (over an extended period of time, the level of satisfaction of the requirements for such parts does not exceed 66-68 percent), an increase takes place in the role played by central repair workshops and repair plants in solving a diverse range of engineering support problems and also in increasing the volumes for the production and restoration of spare parts.

The problem of keeping the textile industry enterprises supplied with spare parts continues to remain critical at the present time. More complete satisfaction of the enterprise requirements for spare parts demands the mobilization of personnel at the central repair workshops and repair plants for modernizing and expanding the technological potential of the existing pool of metal-working equipment; the extensive use of an advanced progressive technology; the use of modern methods for strengthening and restoring parts; the use of plastics, powder materials and others. The realization of these trends will make it possible to improve the supply of spare parts for the enterprises.

Based upon the experience of textile industry enterprises, numerous examples can be cited of multiple-purpose machine tools being equipped with various devices and mechanisms for making it possible, for example, to carry out gear-grooving on a conventional grooving machine tool and to cut gears having complicated teeth on a gear-cutting unit; non-central polishing can be carried out using a cylinder-and-cone grinding machine equipped with a special unit and so forth.

Using USP's -universal assembly devices, the accuracy of machine tool operations can be raised. The mentioned devices are being employed extensively at many textile combines. The thermal and thermochemical treatment of parts can raise their quality considerably. Thus use was made at the Ogre Knitted Goods Combine imeni 50-Letiya VLKSM of a semiautomatic machine for the thermal treatment of cast iron cams. Such treatment raised the durability of the cams by more than twofold. At this enterprise and also at the Zhitomir Flax Combine for Heavily Charged Parts, diffusion chrome plating has proven to be extremely effective.

As a result of cementing (Krasnodar Cotton and Worsted Cloth Combines), it has been possible to eliminate the use of deficit alloyed steels in the production

of a number of parts for weaving equipment and to avoid the use of low-carbon steel without lowering durability in the process.

The durability of parts is being raised considerably, by a factor of 5-6, through the use of the plasma method for applying a wear-resistant covering (Che kassy Silk Combine and other enterprises) and also by providing them with a galvanic covering of chrome, especially parts which are used in aggressive mediums (flax combines imeni V.I. Lenin and I.D. Zvorykin, Mogilevsk Silk Fabric Combine and others).

In the interest of economizing in the use of scarce types of steel in the production of spare parts, the use of polymer materials has been organized at a majority of the enterprises. However the production volumes for these materials are being restrained to a large degree by a lack of highly productive plant produced pouring machines required for the casting of light-weight plastic parts. In this regard, the experience accumulated at the Ivanovo Ivkhlopprom Association and the Brest Hosiery Combine should ideally be studied and introduced into operations. Here low productivity pouring machines produced earlier were modernized and this made it possible to increase their productivity sharply without lowering the quality indicators.

Great results were obtained from the production of spare parts from a special material and based upon the use of powder metallurgy. The principal works were carried out by the OSKB of the Ministry of Light Industry for the Ukrainian SSR, they were mastered for the very first time at the Darnitskiy Silk Combine and they were subsequently employed at the Glukhov Cotton Combine imeni V.I. Lenin, the Kuntsevskiy Weaving and Finishing Factory and at others. The use of this progressive method is making it possible to conserve in the use of costly and scarce types of structural and anti-friction materials, to lower the labor-intensiveness of spare parts production and to simplify their operation.

As we have already mentioned, one source for augmenting the supply of spare parts is that of restoring worn out and broken down parts. Modern repair technology makes it possible not only to restore the initial shape and dimensions of parts but also to increase their durability considerably through the use of strengthening processes.

Methods have been developed at a number of textile enterprises for restoring hundreds of types of parts and units, including: highly productive ChMD-4 combing machines, L-2-50 conveyer belt machines; pneumo-mechanical BD-200 spinning machines, Autosuk and AMK-150 sutomatic machines, ATPR and STB machine tools and others. Enterprises can be cited where part and unit restoration work is being carried out at a high level. This includes the following cotton combines: Yegorevsk Vozhd' Proletariata Combine, imeni K.I. Nikolayeva Combine at Orehov, Ternopol Combine and Donetsk imeni 25th S"yezda CPSU Combine. Production sectors have been organized here for the restoration of cast iron fire grate bars for combing machines using plastic on an epoxy basis. The cost for such restoration amounts to 10 percent of the cost of the fire grate bars and their durability is raised by threefold.

A technology for restoring spare parts using the method of electro-slag chill casting has been introduced into operations at a number of textile enterprises

in the Ukraine. The use of this technology is recommended in particular for the restoration of parts for imported technological equipment.

Many other examples could be cited showing how the use of a creative approach in solving certain problems associated with the production and restoration of spare parts is making it possible to eliminate "bottlenecks" in production and to ensure the continuous operation of equipment.

At the same time, extensive use is not being made of the great amount of experience accumulated at textile and other enterprises of the light industry in the production and restoration of spare parts. The position taken with regard to organizing the supply of spare parts for enterprises, based upon the experience of Lenkhlopprom (organization of a central spare parts warehouse), is completely incomprehensible. The equipment produced at domestic plants has been standardized to a sufficient degree and this is promoting the successful introduction of this experience. The experience of socialist countries, including the CSSR and GDR, should also be studied attentively. Within the CEMA framework, these countries have organized a central spare parts warehouse for weaving machine tools, basic automatic winding machines, warping machines, finishing and other types of equipment. The advantages gained from the creation of such a warehouse have been checked in actual practice. It has brought about a reduction in the nomenclature and volume of spare parts in the turnover of goods, it ensures efficient deliveries of machine parts, it has simplified the interrelationships between the suppliers and consumers and so forth.

At a majority of the textile enterprises having casting departments and sectors, a technology for castings based upon smelted down models and chill mold castings and for obtaining modified and malleable cast iron is being introduced into operations in an extremely weak manner. Raising the efficiency of use of casting capabilities represents the main path to be followed for reducing the expenditure of spare parts and achieving more efficient consumption of materials for the production of castings.

At the present time, of the overall quantity of spare parts being produced and restored, only one half have been included in the production plan. The remaining spare parts are being produced in conformity with tasks. An improvement in the system for planning the production and restoration of spare parts, taking into account specialization and cooperation at industrial associations, will also make it possible to reduce the seriousness of the problem of making spare parts available.

The search by a large number of enterprises for methods for improving the technical servicing and repair of technological equipment persistently requires the carrying out of a scientifically sound summarization of their leading experience. A need obviously exists for creating a branch specialized laboratory for those problems concerned with further development of the system for the technical servicing and repair of equipment in the light industry. Today the branch's enterprises are experiencing an acute need for technical documentation on a broad range of problems associated with repair production operations. The organization of such a laboratory will make it possible first of all to implement the development of:

...standard technological processes for the production of spare parts in accordance with the nomenclature assigned to the USSR Minlegprom and the respective equipment, devices and instruments;

...standard technological processes for restoring worn out parts of machines and the respective equipment, devices and special instruments;

...kits of repair equipment, devices and special instruments for the principal types of equipment;

...equipment for expanding the technological opportunities for utilizing the existing pool of metal-working equipment;

...recommendations for the efficient use of materials and metal to be consumed for the production of spare parts;

...normative documents and other documentation in connection with the repair of technological equipment;

...draft plans and trends concerned with improving the system of technical servicing and repair of equipment.

The solving of these and other problems will make it possible to define a more improved technical program for developing repair operations throughout the branch.

At the present time, the task of supplying the textile industry enterprises with spare parts is in no way being coordinated with the ever-increasing rates of delivery for the modern, complicated and high-precision technological equipment. A situation is being created wherein the mentioned equipment, owing to an absence of spare parts, is lying idle from time to time and thus is not producing the return desired. The time is obviously at hand for USSR Gosplan, Minlegpishchemash and other machine-building ministries to examine the system for producing and delivering spare parts to the branch's enterprises.

The institutes are graduating engineer-mechanics for repair production operations for working on light industry machines and units. However, this is not meant to imply that these specialists are trained for carrying out work associated with the technical servicing and repair of textile equipment. Upon arriving at an enterprise, they must undertake additional studies and acquire knowledge on new developments. The study plan for this specialty does not include any discipline describing the problems involved in the carrying out of repair work. It would seem to be advisable to request the USSR Minvuz /Ministry of Higher Education/ to commence the training of engineer-mechanics, including for this purpose specialization in the technical operation and repair of textile equipment and introducing appropriate corrections into the program for training the mentioned specialists.

It is apparent from everything reported above that repair work is a complicated production process and one which greatly influences the operational reliability of the technological equipment.

From the Editorial Board. In publishing this article, the Editorial Board is highlighting a number of urgent problems which are in need of serious work and solutions.

The Editorial Board addresses an appeal to Minlegpishchemash, USSR Gosplan and the MTI /Moscow Textile Institute/ A.N. Kosygin asking them to examine the problems raised in this article and to inform the readers of the journal concerning the measures being taken to solve them.

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## CONSUMPTION TRENDS AND POLICIES

### RELATIONSHIP OF TRADE RESOURCES TO BUDGET DISCUSSED

Moscow FINANSY SSSR in Russian No 9, Sep 83 pp 27-31

[Article by Candidate of Economic Sciences Ye.N. Fonarev, senior scientific worker with the Scientific Research Institute of Finance under the USSR Ministry of Finance: "Improving Trade's Financial Relationships With the Budget"]

[Text] The 26th CPSU Congress, party and government decisions on perfecting the economic mechanism and implementing the comprehensive Food Program have defined large new tasks for developing and strengthening economic accountability, for assuring strict observance of economical operating conditions, enhancing the effectiveness of the finance system, revealing reserves throughout and putting them to work. The finance agencies have a large role in the successful fulfillment of party and government instructions for enhancing the effectiveness of public production.

The USSR Ministry of Finance and the republic and local finance agencies have recently effected large measures to improve financial relationships between the branches (associations and enterprises) and the budget and to stimulate sources of additional revenue for the state's central finance fund. Together with the USSR Ministry of Trade and other trade organizations they have reduced the rates of natural losses of food commodities by an average of 20 percent. In this process they have taken into account the fact that goods are being transported in new ways (in containers and refrigerated units), the fact that they are being delivered in prepackaged form from the production site or from special shops of the wholesale facilities and directly from the field to the retail trade network, the improved trade processes and other factors.

This has produced a saving of 110 million rubles. Commodities totaling this amount have been saved in physical units. It has also contributed to increased profits for trade and consequently, increased budget receipts from profits, since in the planning of these figures commodity losses are included in the actual distribution costs only within established limits. Over the past 5 years the level of distribution costs under the item "Commodity Losses in Excess of the Established Limits" has stabilized at 0.02 percent of commodity turnover within the retail system, which amounted to 51 million rubles, based on 1981.

There are numerous instances of inefficient use of finances in trade. The November 1982 Plenum of the CPSU Central Committee pointed out the need to resolutely

combat mismanagement and wastefulness. In order to prevent various kinds of losses from mismanagement, shortages and abuses for purposes of personal gain, and to increase responsibility for the observance of state financial discipline, we must not only step up our control over the listing of expenditures as distribution costs, but also establish mandatory reimbursement by those guilty of causing the society to suffer losses, primarily by depriving them of bonuses (or reducing the bonuses) and when necessary, by withholding the money from their wages.

The reports and substantiated proposals we have prepared for the planning of the wage fund and also for effective wage forms in trade, the latter taking into account information provided by a number of financial agencies, were discussed at meetings of the scientific council of the NIFI [Scientific Institute of Finance] with active participation by leading workers and specialists of the USSR Gosplan and a number of ministries and departments. As a result, a procedure was established in 1982 whereby the wage fund for trade enterprises and organizations is set by planning agencies. It has brought about the efficient use of funds and saved more than 200 million rubles in the wage fund compared with the figure for that year. In addition, the piece-rate wage system is being more extensively used. The number of workers paid at a piece-rate accounted for only 15 percent of the workers in the USSR Ministry of Trade's retail network in 1975, but the figure has now risen to 50 percent.

Along with this, terms and differentiated increments have been established for the position salaries of workers at the largest stores, which were previously not covered by the rate system. Experience has shown that such measures help to enhance labor productivity and reduce the amount of time required for the customers to make purchases, and contribute to the effective utilization of finances. Under the existing system outlays for loan interest at increased rates must be removed from the accounting base for distribution costs when the amount of profit is determined for the planning period. This amount could not be determined from the existing list of distribution costs, however, since all of trade's expenses for Gosbank loans were computed under a single item of expense: "Loan Interest."

The recommended removal of the cost of trade's increased loan rates from this item was adopted. Since 1981 these costs have been considered separately, and the total amount for retail trade was 142 million rubles in 1982. This kind of cost accounting is an important condition for effecting a justified increase in planned profit.

The improvement of the financial system covers not only relationships with the budget, but also relationships with a number of branches producing consumer goods and with the sale of these items. For more than 20 years a fund has been created at a stable rate of 0.5 percent of retail trade's commodity turnover volume for discounting goods which have gone out of style or which have deteriorated in quality, although market conditions for the branch and the need for finances for these purposes have changed significantly. For a number of years funds for

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1. See circular "The Procedure for Indicating Interest Paid on Gosbank Loans in the Accounting of Trade Organizations" issued by the USSR Ministry of Finance, the USSR Gosbank and the USSR Central Statistical Administration on 19 March 1982.

discounting goods have been allocated in large amounts (from 0.7 to 1 billion rubles some years) out of the Union budget and out of local budgets as well. At the same time 50 percent of this fund has been transferred to the budget each year, and this gives rise to impractical labor expenditures both in the financial agencies and in the trade system. Production enterprises and associations are still not bearing material responsibility for producing outmoded styles and models, which have to be discounted upon entering the trade system.

In order to increase the responsibility of production enterprises and associations for product quality and assortment, for meeting consumer demand and making efficient use of finances, we need to reduce the standard rate for transferring profits from trade to the commodity discount fund from 0.50 to 0.25 percent of the retail commodity trade volume, and to make up 50 percent of the funds necessary for discounting obsolete styles and models no longer in demand out of the profits remaining at their disposal for creating the incentive funds. This system of creating the discount fund does not relieve the trade system of material responsibility for the accumulation of unmarketable and old goods within the trade system, for deficiencies in the study and forecasting of consumer demand and the issuing of unjustified requisitions (orders), for the distribution and maneuvering of commodity stocks, and in industry, for failure to fulfill or the violation of agreements concluded for deliveries of goods. In addition to the above constructive aspects, this measure would also mean the freeing of more than 500 million rubles in profits within the state retail trade system (computed for 1983) and consequently, an increase in state budget receipts.

The problems in the matter of improving trade's economic system are caused not just by the factors discussed above, but also by the fact that the industry has new tasks and the fact that the economic incentive system in use since 1971 has made no significant changes in the procedure for financing trade's relationships with other branches and with the budget. These relationships are based on economic accountability, their basic principle being the fact that in the starting stage the economically accountable enterprises (associations) in state trade are provided with the necessary production capital and with financial and labor resources (a fact which, as we shall demonstrate, is not taken into account by certain economists), and trade rebates (mark-ups, surcharges) are established for the commodities they sell as the main source for covering expenses and building their profits. The source of the latter in this case is the value of surplus products created in the material production branches.

In addition, they frequently receive financial assistance directly from the budget. For example, retail trade has been allocated 690 million rubles out of the budget since 1 October 1982 for purposes of increasing the standard amount (for specific groups of goods) of its own circulating capital, and wholesale trade received 235 million rubles in the form of loans for this same purpose the year before.

In accordance with the principles of economic accountability trade enterprises and organizations are required to make efficient use of the funds provided them and not only to cover their expenses with their incomes, but also to provide for development of the branch and use their profits for generating state budget revenues. The profit distribution system is one of the most important means of building the financial resources of the trade system and the centralized state fund and of

monitoring the effectiveness with which material, labor and financial resources are utilized and assuring the best end results. This system consists of a complex mechanism of financial relationships between trade and the other branches and the budget.

Under the existing system the minimal standard rate for deductions from profits into the budget by the economic accountable enterprises and organizations in the state trade system, a rate which is mandatory for all of them, is set at a level of 10 percent of their total planned profits for the year. This enhances the effectiveness of control over the performance of the branch and over the efficient utilization of resources within the branch. There is no established maximum standard rate for transfers from profits to the budget for these enterprises and organizations, however.

At the same time, the cooperative trade system pays income tax to the budget (because of the type of ownership inherent in it), and this is based on a rigid standard percentage of the profit balance. This is a long-term standard percentage, which provides the enterprises and organizations with an incentive to increase profits and profitability by operating economically and seeking reserves and by applying other positive factors. The economically accountable enterprises and organizations in state trade, however, make the deductions from profits on the basis of spare amounts (taking the aforementioned minimal standard rate into account), and this is frequently done in a centralized manner.

This system of transfers and settlements with the budget produces a trend toward dependency, since the profits of enterprises operating well are used to pay for the poorly operated enterprises. This undermines economic accountability and reduces incentive for activating internal reserves for increasing profits; profits are distributed among the trade facilities not according to a plan; and it is frequently claimed without justification that profitability must be increased by increasing trade rebates. Furthermore, realization of the income side of the budget is not guaranteed, since transfers into the budget are frequently also reduced when state trade enterprises and organizations do not fulfill their profit plan. They receive the full amount of allocations from the budget as specified in the plan, however, which creates an imbalance between the income and expense sides of the budget.

The centralized accounting system does not help to strengthen the financial base of local soviets in those cases when trade enterprises (organizations) under their jurisdiction make transfers from profits into the budgets of higher bodies. We feel that this system of effecting accounts with the budget is not consistent with the new tasks set at the May 1982 Plenum of the CPSU Central Committee and by the Presidium of the USSR Supreme Soviet for rayon soviets of people's deputies in the situation involving fulfillment of the Food Program.

We believe that documents governing the distribution of state trade profits are obsolete and do not conform to present-day demands. For example, the instructions state that the minimum standard rate (10 percent) for transfers from profits into the budget is retained in those cases in which a trade organization or enterprise operating at a planned profit has expenses of its own to be financed out of profits and amounting to more than 90 percent of its planned profits for the year.

This accounting system creates a logically complicated situation, in which planned profits are distributed between trade and the budget in percentages adding up to more than 100 percent. In fact, this profit distribution system suffers from an imbalance, and the difference has to be made up out of other forms of finances of the trade organization involved (and sometimes, another trade organization) or out of the budget.

In the situation of a guaranteed minimum portion (10 percent) for transfers to the budget from profits, the financial plans of the trade organizations should not provide for covering their expenses in amounts exceeding 90 percent of their profits. The subsidy system should obviously be replaced with the more extensive use of bank loans to be repaid out of subsequent profits. This would undoubtedly promote the observance of economical operating conditions and thrift and the identification of internal reserves for increasing profitability.

We feel that it would be expedient to establish a minimum portion of above-plan profits to be transferred to the budget. This would significantly enhance the control function of profit in the planning of incomes and outlays, especially with the independent planning of distribution costs (except for the wage fund). These recommendations are only partial solutions, however. The system for distributing trade's profits must be thoroughly altered in order to enhance trade's social and economic effectiveness and to protect the financial interests of the branch and the state.

The decree passed by the CPSU Central Committee and the USSR Council of Ministers on 12 July 1979 calling for improvement of the economic system is directed toward enhancing the effectiveness of all public production by developing economic accountability and intensifying the function of economic levers and incentives. This document calls for the establishment of stable, long-term (for a five-year period, differentiated by year) standard rates for distributing profits between the production enterprises, associations and ministries and the state budget. It thereby established on a planned bases the total profit to be left for the branch to spend for its own needs and guaranteed amounts of profit to be transferred to the budget at specified times and when necessary, allocations to be made out of the budget.

It would also make sense to employ the normative method of distributing profits in state trade as well--taking the branch's specific features and its functions, the sources for building its profits and other factors into account, of course. We advanced this suggestion back in 1973, and it has the support of many financial agencies. For example, it is believed in the Minsk State Finance Department that this measure will help to enhance economic effectiveness for the branch. Workers in the Voronezh Oblast Finance Department believe that it would be expedient to convert local trade organizations to the normative system of deductions out of profits to replace the system based on spare profits. With the stable, long-term rates, standard (total) transfers to the budget will increase as profits grow, and this will result primarily from a growth in the commodity turnover volume and a relative reduction in the level of distribution costs, especially the nominally permanent costs.

In order to carry out this measure, the corresponding plans (the financial balances) for each year of the five-year period must specify not only the commodity

turnover volume but also total profits for the group of trade organizations involved. We must also establish a procedure whereby the trade organizations cannot independently alter planned assignments for transfers from profits into the budget for enterprises under their authority.

The above decree specifies that under the normative system for profit distribution, if the plan is not fulfilled for the year for this indicator, payments into the budget established for the specific year are made in the full amount by correspondingly reducing the amount of profit left at the ministry's disposal. If the profit plan is altered, adjustments may also be made in the norms for profit distribution within the limits of the total normative amount left at the ministry's disposal. The ministry may define differentiated norms for its subdivisions based on their specific features and profitability. These principles have been established for the industrial ministries. We believe that they should be mandatory for all ministries and departments with a state trade system, when they are converted to the normative system for distributing profits.

The proponents of autonomous financing for state trade share the opinion that it would be practical to employ the normative system for distributing branch profits and maintain that this will result in increased transfers from profits into the budget. In fact, this concept is theoretically unfeasible, and the scheme for "trade's conversion from the self-paying status to a self-financing basis" developed by its proponents is unacceptable. The feasibility of self-financing is doubtful due to the fact that the main source for recovering the branch's distribution costs and building its profits are trade rebates, which constitute the value of the surplus products created in the material production branches and not in trade. Trade's profits and profitability, its finances and financial capabilities depend primarily upon the amount of the trade rebates, and trade can therefore not be self-financing.

The proponents of self-financing advocate converting from the self-paying principle to self-financing because they believe that the former does not conform to the essence of complete economic accountability and does not provide for expanded development of the branch. The covering of expenditures, however, is one of the most important principles of economic accountability, which not only involves the covering of planned expenses with the income from the operation, but also assures a profit in the amount necessary for expanded development, particularly in trade, as well as for sharing in the building of centralized state finance fund. Could we switch from this principle, which reflects the objective essence of economic accountability and its substance, to self-financing, which we consider to be one of the subjective methods of organizing the finance system, one of its components? This is also confirmed by various versions of the self-financing scheme (with the complete or the partial allotment to trade of its own circulating capital and so forth).

As stated above, the proponents of self-financing for state trade maintain that the scheme proposed by them is in conformity with the requirements for constantly increasing the amount of profit transferred to the budget, that is, that it assures a benefit for the society. This verbal promissory note is subject to doubt, however. The following profit distribution standards were provided for converting to self-financing the Trade Administration of the Leningrad Oblast Ispolkom, where it was proposed that an experiment be conducted:

	1981	1982	1983	1984	1985
<b>Into budget revenues</b>					
(millions of rubles)	4.2	5.8	6.2	7.8	8.8
percentage of profits	27.3	35.1	33.3	40.4	43.1
<b>At the administration's</b>					
<b>disposal (millions of rubles)</b>	11.2	10.8	11.1	11.4	11.6
percentage of profits	72.7	64.9	59.6	59.6	56.9

All of this seems to be correct and in order--but only at first glance. In reality, these rates and standards do not meet the basic demand that they be employed without detriment to the society, that is, to budget revenues.

Essentially, transfers from profits to the budget are reduced by 2.2 million rubles, or 15.3 percent, compared with the 1981 financial plan, in the proposed scheme for converting the trade administration to self-financing. In reality, that year the norm for transferring profits to the budget should have been 42.8 percent of planned profits and not 27.3 percent. Because of this and because of the increase in the long-term rate, the portion of transfers for this administration should be 58.6 percent and not 43.1 percent in 1985.

One of the causes of the reduced portion of transfers from profits to the budget is the unfounded suggestion that 15 specialized monetary funds be created in the oblast trade administration, most of which do not presently exist at this level. Calculations made by us on the basis of data contained in the 1981 financial plan for the Trade Administration of the Leningrad Oblast Ispolkom show that the balance between total transfers and payments into the budget (including the withdrawal of 50 percent of the commodity discounting fund), on the one hand, and total allocations to this administration out of the budget, on the other, amounts to 55 percent of the planned profit. This is further confirmation of the fact that the level of 27.3 percent for transfers from profits to the budget, which was specified in the 1981 plan of the RSFSR Ministry of Trade, is unfounded and results not in an increase but in a reduction in budgetary revenues during the 11th five-year period. Overall, according to the plan for converting this administration to self-financing, it is planned to reduce budgetary revenues by 47.3 million rubles, compared with the 1981 financial plan, 42 million rubles of which are for building trade's circulating capital.

The proponents of self-financing for state trade feel that the state is in debt to the enterprises and insist that it return to the enterprises that circulating capital taken from them in the conversion to crediting based on commodity turnover. They apparently forget about the sources for creating this capital and other finances for branch enterprises and organizations in the starting phase and even subsequently, which has already been mentioned. Furthermore, the allotment to trade organizations of the full amount of their own circulating capital (excluding bank loans) would in many cases result in a slower rate of turnover for the capital and in others, in a shortage, which would negatively affect the satisfaction of the population's demand for essential goods. It would be practical not to use budget funds to make up shortages of the trade enterprises' (organizations') own circulating capital, produced as a result of its conversion into fixed capital and mismanagement, which actually occurs.

The role of the soviet bodies is greater in the new situation, especially at the level of the rayon element of economic control, and in the organization of production, procurement, processing, storage and sales of agricultural products. We must also bear in mind the fact that the tasks assigned for creating general Union and regional food stocks do not free the organizations from the obligation to take steps to expand output and draw nonfood items into circulation by using local raw materials for purposes of better satisfying the needs and demands of the population. The accomplishment of these tasks cannot be facilitated by the proposals for abolishing financial relationships between the local soviets of people's deputies and the enterprises and organizations under their authority, which call for retaining transfers from profits to the budget only at the level of the oblast and higher bodies.

In his speech at the November 1982 Plenum of the CPSU Central Committee Yu.V. Andropov pointed out the need to enlarge the independence of associations and enterprises. The centralization of finances and interrelationships with the budget at the oblast level and above would unjustifiably weaken the financial base and the control of the soviets of people's deputies, limit their authority to control the economics of the operation under their authority, reduce interest in activating reserves, and would not help to increase local initiative. The impractical counter-flows of finances from the budget to the trade system and conversely, which are inconsistent with the requirements of economic accountability and are caused by mismanagement and irresponsibility (some of these were discussed above) should be abolished.

The normative method of distributing profits is not the same as self-financing for trade, however, and is not a basis for eliminating financial relationships of the branch and its facilities with the budget and the banks for creating capital investments, circulating capital and other very important funds. It would be a good idea as a preliminary measure to prepare and conduct an experiment in the use of the normative profit distribution method in three or four oblasts (krays, ASSR's). The economically justified portion of transfers from profits to the budget for the last 2 or 3 years preceding conversion to the new profit distribution system could serve as the basis for defining the normative rate. Our calculations show that the norm for transfers to the budget could amount to an average of approximately 50-60 percent of planned profits at the oblast trade administration level. This measure would unquestionably help to increase the interest of branch enterprises and organizations in achieving better results from their financial and economic functioning and contribute to the effective use of material, labor and financial resources.

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## CONSUMPTION TRENDS AND POLICIES

### RESOURCES MUST BE MOBILIZED TO FEED POPULATION

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[Report by M.P. Trunov, chairman of the board of Tsentrosoyuz, at an enlarged session of the Tsentrosoyuz board in June 1983: "Make Fuller Use of Internal Reserves"]

[Text] In June of this year, an expanded session was held of the Tsentrosoyuz board. In its work, chairmen of the boards of republic consumer unions and responsible officials of the apparatus of the CPSU Central Committee, the USSR Council of Ministers, the AUCCTU, the USSR Ministry of Trade and the branch trade union central committee took part.

The subject discussed was the question of the results of the consumer cooperatives' operations for 5 months and tasks for ensuring the fulfillment of 1983 plans and targets. M.P. Trunov, chairman of Tsentrosoyuz board, presented a report.

Cooperative personnel, like all Soviet people, M.P. Trunov emphasized in his report, greeted with great enthusiasm the decisions of the June (1983) Plenum of the CPSU Central Committee and the 8th session of the 10th convocation of the USSR Supreme Soviet. The speech delivered at the plenum by Comrade Yu. V. Andropov, general secretary of the CPSU Central Committee, defined thoroughly substantiated tasks for the building of communism, for improving economic work, shaping the new man, struggling for peace and social progress. At the session, the Law on Labor Collectives was adopted. It opened up new possibilities for development of workers' initiative and expansion of their role in management of production.

Cooperative personnel must look upon all their work from positions of those high requirements that were advanced in the decisions of the June Plenum of the CPSU Central Committee and the session of the USSR Supreme Soviet. It is necessary to critically analyze the results of work and to determine in a timely way the necessary measures for significantly raising efficiency of work and ensuring fulfillment of plans. Special responsibility in the solution of these matters is required now, when the cooperative trade system's retail commodity turnover plan for 5 months of this year has been missed by 389 million rubles. Only the Tajik republic out of all the Union republics has fulfilled its plan.

At the same time commodity stocks in trade on 1 June of this year exceeded 30 billion rubles. In the 5 months, they increased by 1.5 billion rubles. Above-norm stocks alone now amount to 2.2 billion rubles.

They say that market conditions for trade have changed. Indeed they are different. The work style and methods of many consumer unions have not changed, however, and they are not at all in conformity with the new situation.

The measures which the consumer unions are reporting on (so many fairs and bazaars were held, so much in the way of goods was purchased or moved) are for the most part of an episodic character. They do not touch upon the deep-down processes and do not provide regulation of relations with industry or some marked improvement in the organization of supplying of goods or the reorganization of the whole system of trade management.

One becomes convinced of this through the checks that were recently conducted at many organizations of the Russian, Ukrainian, Kazakh, Azerbaijan, Armenian and other consumer unions. Irresponsibility in filling out of requisitions and orders and the lack of a significant influence on the operation of the industry continue to be as before. Lack of system in delivery of goods, transshipment of a mass of goods via wholesale depots to retail trade without taking into account demand and stock conditions continue to be as they were before. The low level of economic substantiation of disposal of commodity stocks, crude errors in planning and lack of flexibility and effectiveness in making up the goods assortment are still the same.

All this is the direct consequence of poor discipline, weak economic and organizational work and inept, superficial management. Boards of many consumer unions undermine organizational work on management of trade by the adoption of stereotype decisions, whose execution is not properly monitored.

The main thing at the present is, without losing a single day, to become decisively and concretely involved with questions relating to the elimination of the lag in fulfillment of the plan of retail goods turnover. Of course, this is not a simple task. While the growth rate of retail goods turnover for January-May of the current year amounted to 3.6 percent, in order to ensure the annual plan in the time remaining to the end of the year, this rate would have to be on a level of no less than 8 percent.

What specific possibilities and resources should be brought into operation?

First, calculations show that it is possible to significantly increase goods turnover through expansion of the sale of such adequate commodities as fish, canned fish and vegetables, margarine, some varieties of cereals, confectionery products, potatoes, vegetables and fruits as well as a number of manufactured goods of everyday demand and simple assortment. As a result of incomplete utilization of the resources of these commodities, consumer cooperatives in the 5 months lost about 290 million rubles in commodity turnover. With proper organization of work, this source could produce earnings of no less than 400-450 million rubles. It is necessary to organize the work in such a way that adequate quantities of goods of everyday demand would be in stores without interruption and that full use would be made of allocated commodity stocks.

Second, a real reserve in increasing commodity turnover is expansion of trade in many goods of cultural, everyday and household use. Up to now a lag in the sales growth rate of these goods has been permitted to happen. If we were to work well with industry and adopt effective measures for improving trade organization and introducing active sales methods, it would be possible by the end of the year to bring into commodity turnover additional goods of cultural and everyday use in the amount of 600-800 million rubles.

Third, additional work should be done in Union republics relative to increasing the share of consumer-cooperative goods in market stocks as well as bringing items produced here to fuller use in turnover. Up to now, in a number of republics a reduction in the relative share of goods of cooperative organizations has been permitted to occur this year. Losses in commodity turnover because of this amount to almost 700 million rubles.

The Russian Consumer Union because of reduction of its share of such commodities as sugar, tea, metalware and certain kinds of electrical appliances, lumber, sewing machines, motorcycles, motor scooters and bicycles lost resources of 250 million rubles. The Uzbek Consumer Union, due to a reduction in the relative share of sugar, confectionery products, tea, fish, cotton and linen fabrics, footwear, construction materials and certain other goods was shorted by 37 million rubles worth of these goods, and the Azerbaijan organization--by 18 million rubles worth.

It is as yet not too late to rectify the situation specifically with goods that have been additionally allocated to the Union republics.

As we know, responsibility for the production of the most elementary goods from local resources and production wastes has been turned over to republic councils of ministers. The republics actually possess the raw-material resources required for this, but unfortunately, they are weakly used. For this reason, provision of the local population with the most elementary household goods in Armenian, Turkmen, Kirghiz, Azerbaijan and Tajik SSR still depends primarily on them being brought in from other republics. In the mean time, consumer unions look at this surprisingly calmly.

The question should be brought up more sharply of fuller satisfaction of rural needs for local construction materials. The market should be allocated 5 percent of the total volume of their production. But how much is actually allocated? At Krasnodar Kray Consumer Union, for example, market brick stocks amount to only 0.1 percent of the total volume of their production and of lime--0.3 percent. The situation is no better in Kirov, Penza, Tyumen and other oblasts. The Kazakh Consumer Union has been allocated market brick and lime stocks in the amount of 0.2 percent of the volume of production.

The heads of consumer unions should carefully analyze the situation, prepare and submit well-reasoned proposals for examination by directive organs. And, what is most important, the matter should not be limited to such a paper. It is necessary to find real ways for providing in a short time an increase in the production and sale of goods needed by the population.

An important source for ensuring the plan of commodity turnover lies in expansion of goods production at enterprises of the cooperative industry, increasing the output of products for public dining and further growth of purchases of surpluses of agricultural products from the population and of their trade.

The cooperative industry in the 5 months provided an above-plan production in the amount of 134 million rubles. If production continued at even this rate, it would be possible to obtain additional consumer goods in an amount of 180-200 million rubles.

In public dining, basic reserves lie in increased production of semifinished products and in culinary and confectionary items, buns and rolls. Why does the Ulyanovsk Oblast Consumer Union turn out semifinished products in the amount of 3 rubles and 40 kopecks per capita, culinary items--8 rubles, and confectionary items, buns and rolls--5.4 kilograms per capita, while the Kursk union produces semifinished products for only 39 kopecks, or one-eighth the amount, culinary items--for 2 rubles 30 kopecks, or 28.6 percent the amount? And such low indicators are not only to be found at Kursk Consumer Union.

At the same time, in a number of republics, the sale of products of their own production by cooperative public dining has been sharply expanded through the retail trade network. At the Estonian Consumer Union, more than 9 percent of the total volume of its own products are sold in this way, at the Latvian--about 7 percent, at the Ukrainian--6.5 percent and at the Belorussian--6 percent. At the same time, this indicator in the Russian Consumer Union is 4.4 percent and at the Uzbek, Georgian, Azerbaijan and Armenian consumer unions--only tenths of one percent. Because of increased production of own public dining products, their sale in the retail trade network can be increased to the end of the year by a commodity turnover in the amount of 30-35 million rubles.

In the course of the 5 months, cooperative organizations purchased 397,000 tons of meat and meat products, which is 18 percent more than during the corresponding period of last year. Volume has grown at all consumer unions with the exception of the Moldavian. On the whole, one can count on the fulfillment of the target set for this period of purchasing 1,100,000 tons of meat and meat products. Purchases as well as trade in other agricultural products are not doing badly, although the resources are being used far from fully.

For the 5 months, the plan for sale of agricultural products at agreed upon prices was fulfilled by 228 million rubles. It is anticipated that in the course of the year, the indicator will grow to approximately 550 million rubles. But this requires working well, especially in regard to the purchase of surpluses of meat, fruits, vegetables and potatoes.

This does not exhaust all resources for growth of commodity turnover. But they show that, despite existing difficulties, all the possibilities exist to ensure the fulfillment of the annual plan of retail goods turnover. Moreover, this plan is supported by the purchase funds of the population.

Then M.P. Trunov dwelt on trade servicing of the population residing in small hamlets and villages. Cooperative stores, he said, are to be found at the

present time in 139,000 out of 383,000 rural populated places. No trade enterprises for the most part are to be found in settlements with fewer than 100 inhabitants. Such a situation is to be explained to a significant degree by the practice that has existed for a number of years of designating small populated places as lacking in prospects.

At the present time, when large measures are being carried out on social reorganization of the village and bringing back many deserted and rundown villages to an active economic life, questions of reorganization of trade in remote localities have been reexamined. It is necessary to radically improve services for the inhabitants of small hamlets and villages.

A more flexible approach to specialization and respecialization of the existing network can be most effective in improving services to the population and activating trade. But this work is far from being done everywhere.

In Novosibirsk Oblast with 30 rayons, the consumer union has 23 Tekhnika [Equipment] and Sovremennoye Domashneye Khozyaystvo [Modern Housekeeping] stores and 24 Mebel' [Furniture] stores. It is developing a network of other specialized enterprises. The oblast consumer union stably fulfills retail goods turnover plans. At the same time, Altay Kray, which has twice as many rayons, has only 2 Tekhnika cooperative stores and 14 furniture stores. A specialized network for other groups of commodities is weakly developed. The kray's consumer union is not fulfilling its retail goods turnover plan.

Today there is talk of organizing more narrowly specialized stores, for example, for the sale of carpets, jewelry, dishes. Such possibilities exist in many rayon centers, and no particularly significant expenditures are required for this. What is needed is initiative and a creative approach to the matter.

Or take another example. About 100,000 commodity specialists work in consumer cooperatives. These under the changing market conditions have to play a particularly important role in organization of trade. But in practice, the performance of these specialists is manifestly inadequate.

Weak controllability of trade is to be seen in the extremely passive role played by the wholesale section. The wholesale share of commodity stocks does not exceed 30 percent, at Uzbek, Georgian and Armenian consumer unions--only 20-22 percent, at the Azerbaijan consumer union even less--12 percent. Such a level means that wholesale bases are not performing their functions in sorting goods for the retail trade. The possibilities of using commodity resources to advantage remain limited, while wholesale responsibility is weakening in providing needed goods for retail trade.

At Bashkir Consumer Union, for example, the level of centralized delivery of goods by the Sterlitamak Interrayon Base amounts to only 15 percent. This means that most sellers are obliged to go themselves after goods, frequently leaving the stores closed for that time. Moreover, selected goods reach stores only after a lapse of 10-15 days. Half of the wholesale goods turnover of the base usually takes place in the third 10-day period of the month. Manufactured goods are shipped once in every 3-4 months to many stores engaged in the trade of goods of everyday demand.

Is there any need to look for any other reasons for failure in fulfillment of the retail goods turnover plan?

A big place was given in M.P. Trunov's report to progress in the realization of the Food Program by consumer cooperatives. In the course of 2 years, the system's food resources amounted to roughly 22 billion rubles, which is in conformity with the target. At the same time, a lag has been allowed to occur in fulfilling the targets for production of canned goods, nonalcoholic drinks, beer and a number of other products. Incidentally, this inflicts considerable damage on retail goods turnover. The fact is that more than half of nonalcoholic drinks, sausage items, canned meats and almost half of the canned vegetables and fruits sold to the population through cooperative trade are produced at industrial enterprises of the system.

An urgent task is to raise the quality of products. At some consumer unions, up to 15 percent of canned goods, 20-30 percent of sausage and confectionary products and even more in the way of nonalcoholic drinks are rejected in the course of checking products put out by the cooperative industry. For example, at Uzbek Consumer Union last year 32 percent of confectionary products, 61 percent of nonalcoholic drinks and more than 70 percent of sausage products were rejected of the quantity that was checked!

Many targets of the food program relating to the purchase of agricultural products from the population are not being fulfilled. The purchase of vegetables and fruits, wild-growing items, milk, eggs, sugar and vegetable oil is proceeding below the designated level. It is necessary to attentively and critically analyze the course of fulfillment of targets for each consumer union in order to significantly rectify the situation this year.

A significant portion of products is not available for purchase, especially in the remotely located regions. The fact should not be tolerated that many consumer unions fail to fulfill the plan for putting receiving-procurement centers into operation. Little concern is shown in providing for purchases by sellers of rural stores and no active work by the procurement apparatus is being done.

The procurement conveyor has to operate particularly efficiently during the season of receiving of the new harvest. Calculations show that the existing material-technical base is capable of handling the procurement material and processing and providing for shipment to consumers of no less than 16-17 million tons of products, that is more than provided for by the plan.

Favorable conditions exist this year for the cultivation of orchard and garden crops. Farms have increased sowing areas and are more widely using advanced cultivation technology. Purchase prices have been raised for potatoes, vegetables and fruits, which stimulate increased production of fruit and vegetable products. For this reason commitments made by cooperative personnel to purchase this year no less than 1.5 million tons of products above plan are quite realistic.

**It is necessary to increase control for strict fulfillment of contractual obligations by farms, for each year more than half of the farms fail to produce or sell stipulated quantities of potatoes, vegetables and fruits.**

**It is also necessary to raise state discipline in shipment of products to All-Union stocks and not to permit precedence being given to local interests.**

The further development of subsidiary farms constitutes an important task. The target for obtaining on them meat weight gains is being fulfilled by most consumer unions. But the low efficiency of many subsidiary farms and the high production cost of meat are disturbing. The main reason for this is the low professional level of supervision of this sector and sometimes even obvious mismanagement. Consumer unions frequently do not manifest concern for development of the fodder base, which markedly lags behind the growth rate for the number of livestock. At the present time, cooperative organizations have at their disposal 75,000 hectares of pasture land for growing fodder. Food wastes are still poorly used for feeding of livestock.

Each consumer union should seriously examine the situation of subsidiary farms and determine measures for bolstering them with specialists--livestock specialists, agronomists--and achieve an economical operation.

In M.P. Trunov's report, considerable attention was devoted to measures for strengthening the policy of economy and increasing the effectiveness of cooperative activity. He emphasized that the directive contained in Comrade K.U. Chernenko's report applied wholly or in part to cooperative personnel on the necessity of establishing a new type of economic thinking aimed at initiative and socialist enterprise and at increasing responsibility, creative searching for ways leading to the best possible economic result with the smallest possible outlays.

So far economic methods of management have been used quite poorly. The managers of many cooperative organizations, so to say, do not have a taste for economics and economic thinking.

The Tsentrinosoyuz board adopted a decision turning over to deputy chairman N.A. Lupey the supervision of economic work at Tsentrinosoyuz. It is necessary to increase the accountability of personnel for this sector in the apparatus of all republic and oblast consumer unions. At the present time, many oblast consumer unions have deputy board chairmen for finance, but the range of questions with which they are engaged is limited and influence on the solution of major economic problems is weak.

Board deputy chairmen for economics are primarily responsible for introducing into practice economic methods of managing the cooperative economy. The work has to be set up that economists, financial experts and accounts are not merely recorders of processes taking place. They have to deeply analyze economic and financial activity, to instruct managers at the right time as to where and how organizational matters can be improved and to provide effective aid in the disclosure and utilization of internal resources and economical expenditure of funds.

Of late, some consumer unions have made basic financial indicators worse. In the first quarter, the profit plan was not fulfilled by the Belorussian, Kazakh, Moldavian and Armenian consumer unions.

In the 5 months of the current year, the Armenian Consumer Union not only failed to fulfill the retail goods turnover plan, but it even caused it to be lower against last year's corresponding period. The commodity stocks here are for more than 200 days of trade. Moreover goods that are not moving and have been lying around for a long time make up more than 14 percent of nonfood items. The profit plan for the first quarter was fulfilled only 66 percent. Payment-settlement discipline is at a low level.

An important direction for raising the level of management is to be found in the implementation of special, comprehensive programs. To work according to such programs means to establish priority for assigned goals and to concentrate material, financial and labor resources on their accomplishment. This exactly constitutes the nature of the program goal method of planning and management.

But, while adopting goal programs, some consumer unions have not resolved the main thing--they failed to create an operational mechanism that would ensure the realization of these programs.

In speaking of the fulfillment of goal programs, figures are often cited of additionally acquired trade and warehouse areas, released workers and increased production of goods, in brief, quantitative indicators. As for qualitative indicators, so far they have been modest ones.

At the fourth meeting of the Tsentrosoyuz Council, a task was assigned--to improve goods turnover by 15-20 percent for each square meter of trade area. In a number of consumer unions, this indicator not only has not grown, but has even diminished. This applies particularly to the Belorussian, Georgian, Kirghiz and Armenian consumer unions.

Things are not going well with the indicator of commodity turnover per place at public-dining enterprises; it has gone down at the Russian, Kazakh, Moldavian and Kirghiz consumer unions.

It was planned to raise the level of utilization of production capacities in the canning, beer-nonalcoholic and wine-making sectors to 90-94 percent. Actually, this indicator does not exceed 80 percent at many consumer unions. In the Russian Federation, the use of production capacities in the canning, confectionary, sausage and beer-brewing sectors as well as in bread-baking even got worse.

It was pointed out that in this five-year plan commodity turnover growth as well as the sale of manufactured products should come as a whole from growth of labor productivity without an increase in the number of workers. But in the first quarter, this indicator provided 89.5 percent of the growth of commodity-turnover volume. Targets were not met by the Russian, Uzbek, Kazakh, Georgian, Azerbaijan, Kirghiz and Turkmen consumer unions. In the industry, growth of labor productivity produced only 82.5 percent of production volume growth. In the first quarter, limits on the number of workers were exceeded by 40,700 persons.

Great losses occur from mismanagement. Thus, losses of goods above the norm for natural losses amounted to 9.5 million rubles in the trade system last year, including 4.9 million rubles from spoilage. State trade received from consumer cooperative organizations 116,000 tons of substandard agricultural products. Large losses take place during storage of products at procurement organizations, and losses are considerable from packing in trade, public dining and baking.

It is difficult to overestimate the importance of economical and rational utilization of fuel and power resources. But the targets set by councils of ministers of Union republics for fuel economy were fulfilled by the Russian Consumer Union last year only 35 percent and by the Kazakh--only 20 percent.

As a result of poor operation of refrigeration equipment 1 million kilowatt-hours of electric power are lost each year. Is this really tolerable? But in order to install order here, there is no need for large capital investment; all that is necessary is to improve organization and responsibility for this important matter.

Higher effectiveness of capital investment should be the subject of constant consideration by boards of consumer unions. The main thing is to provide timely startup of facilities and to adhere to construction schedules. The causes of breakdown of startup times for facilities boil down to just one thing--low level of supervision, unsatisfactory organization.

The capital-investment structure is in need of improvement. As we know, the biggest yield is provided by capital investment allocated for the modernization and reequipment of enterprises. But their share in total capital-investment volume is inadequate. Last year it amounted to 29.7 percent. Moreover, while it approaches 40 percent in the Ukrainian and Belorussian consumer unions and exceeds 50 percent in the Estonian and Latvian, in the Kirghiz and Tajik only 20-22 percent are designated for capital investment in modernization and reequipment and in the Kazakh--as little as 12 percent.

Nothing other than irresponsibility and lack of discipline on the part of heads of local organizations and lack of control by higher organs can serve to explain the fact that at many cooperatives the necessary order has not been introduced in the storage of stocks, that stocktaking is not carried out at prescribed times, that for several years vacations have not been granted to those who bear material responsibility and that requirements have been ignored for strict observance of norms of commodity stocks for each store.

Consumer-union boards, M.P. Trunov said in conclusion, must take effective steps to eliminate defects, raise the level of management and achieve fulfillment of the plans and targets of the third year of this 5-year plan.

The following persons took part in the discussion of M.P. Trunov's report: I.A. Trukhanov, the first deputy chairman of the board of the Russian Consumer Union, S.V. Litvinenko, chairman of the board of the Ukrainian Cooperative Union (Ukoopsovuz), P.A. Krumin'sh, chairman of the board of the Latvian

Consumer Union, A.I. Pavlenko, first deputy chairman of the board of Kazakh Consumer Union, E.V. Sarkisyan, chairman of the board of the Armenian Consumer Union and M.K. Nuryagdyyev, chairman of the board of Turkmen Consumer Union.

The Tsentrosoyuz board adopted a decree on the discussed question that obliged boards of Union republic consumer unions, main administrations and administrations of Tsentrosoyuz to critically examine work results for the first half of the current year and without delay to implement effective measures for the elimination of the occurred lag in the fulfillment of the retail commodity turnover plan and other plan indicators and to eliminate deficiencies in services for rural workers.

Pay special attention, it was emphasized in the decree, to bolstering the staff of heads of cooperative enterprises with politically mature, qualified specialists with initiative while keeping in mind that it is this category of cadres that is primarily responsible for the precise and coordinated work of collectives and the provision of a high level of service for the population.

Ensure everywhere uninterrupted trade with adequate food and nonfood goods of everyday demand, especially those such as bread and rolls, fish, canned fish and vegetables, margarine, vegetable oil, macaroni and confectionary products and cereals. Utilize fully the favorable conditions of this year to expand trade in fruit and vegetable output.

Trade in cultural, consumer and household-use goods should be improved. The respecialization of existing stores is to be carried out in the second half of this year and the assortment structure is to be revised in department stores and Promyshlennyye Tovary stores for the purpose of significantly expanding trade in said goods without at the same time allowing them to be dissipated by way of small stores.

Consumer unions must determinedly work with industry for assortment coordination and acquisition of goods subject to additional production in 1983. An increase is to be achieved in the output and delivery by local consumer cooperatives of local construction materials, as well as simple consumer goods produced from local raw materials in the republics.

It is necessary to organize effective use of commodity resources among individual cooperative organizations.

Targets are to be set for wholesale depots for withdrawal from the retail trade network of surplus delivered goods and for their redistribution and sale by those organizations where a demand exists for these goods.

Introduce a strict policy of monitoring the delivery of goods to the retail trade network by wholesale depots. Consider the realization of such effective monitoring the chief task of the information and dispatcher service and the trade apparatus of all elements of the system. Impose as a duty on directors of wholesale depots assurance of regular delivery of goods to enterprises and organizations.

Carefully study the cause of losses allowed to occur in some organizations because of mismanagement, unprofitability and overexpenditure of distribution costs and take the necessary measures for strengthening their financial condition, introducing necessary order in payment-settlement discipline and ensuring fulfillment of the profit plan in 1983.

It is necessary to work out additional measures for the observance of a very strict policy of economy and tightening of norms of expenditure of fuel, metal, raw and other materials and for reduction of materials intensiveness in production and wide-scale introduction of energy-saving equipment and technology.

Take immediate steps to improve utilization of production capacities, assuring the startup within prescribed periods of new facilities, growth of labor productivity and improvement of quality of products.

The organizational work of consumer unions should be aimed at further strengthening of state, labor and performance discipline. Raise the level of commercial and economic work both in the actual apparatus of the trade unions and also in the subordinate enterprises and organizations. Concentrate the efforts of labor collectives on the fulfillment of plans and targets and the radical improvement of trade services for the population. For this purpose organize at all cooperative organizations and enterprises extensive study of the USSR Law "On Labor Collectives and Enhancement of Their Role in the Management of Enterprises, Institutions and Organizations" adopted by the eighth session of the 10th convocation of the USSR Supreme Soviet.

Socialist competition should be launched on a wider scale, methods of labor organization, moral and material incentives should be improved and the work of councils of mentors and young specialists and organs of cooperative mass public management and control is to be made more active.

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## CONSUMPTION TRENDS AND POLICIES

### ROLE OF INDIVIDUAL CONSUMER RELATED TO PRODUCTION GOALS

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[Article by I. Myslyaeva: "The Role of Individual Consumption in the Realization of the Higher Goals of Socialist Production"]

[Text] Two circles of questions can be delineated in research on the problems of individual consumption. These involve: 1. The very process of the utilization of use value and the act of consumption itself; 2. The production relations arising as a result of individual consumption. Of these two, only the second circle of questions is a field of political-economic research. The second circle, to use the words of K. Marx, lies "outside of political economy".<sup>1</sup> When the essential distinction is not made between the two facets of individual consumption, the matter is often reduced just to an analysis of changes in the material structure of consumption. Such an approach leaves unrevealed changes in the interaction between individual consumption and all the other structural elements in the system of production relations, above all relations directly in the sphere of production.

Prior to the beginning of its own production process, every society has the objective necessity of determining the existing requirements and resources and distributing the latter among various spheres of activity in accordance with social needs. Under socialism this takes place in a planned manner, based upon the interests of society as a whole and its individual members.

Under socialism the direct producer selects the sphere for applying his labor in accordance with his tastes and inclinations. However, he can enter into social production only within the framework of its existing structure and can be not be linked to the means of production individually, but only in a mediated manner, through association. In this process the activity of each individual producer in production should take place only in such a manner that the association of all workers is reproduced in the necessary way. This is possible only if production is conducted in the interests of the direct producer. As a result of the direct social combination of labor power with the means of production, the goal of social production under socialism becomes, in V. I. Lenin's words, "the guarantee of the complete welfare and the free all-around development of all members of society".<sup>2</sup>

Under communism, and including its first phase -- socialism, the main direction of development is the free improvement of humanity. Only communism "ensures the greatest blossoming of the productive power of social labor and the most complete development of humanity."<sup>3</sup> Under socialist (communist) society the more

comprehensive development of people and workers is not only production's highest goal, but also the prerequisite for its further progress. F. Engels wrote in this regard: "...the general performance of production by the forces of the entire society and the new development of production which ensues from this will require completely new people and will create them.... Industry, which is operated totally and in a planned manner by all of society, has all the greater need for people with more thoroughly developed capabilities, who can orient themselves towards the entire production system."<sup>4</sup>

The qualitative specifics of individual consumption under socialism consist above all in the fact that they are directly linked to the realization of the highest goals of socialist production, in which a number of structural elements can be distinguished. In some economists' opinion, these include the complete welfare and thorough development of the individual.<sup>5</sup> Others include the equalization of consumption conditions together with these features of the highest goals.<sup>6</sup> While a third group reduces the highest goal to people's development as consumers, producers and as subjects having free time.<sup>7</sup> One cannot agree with all these solutions. In our opinion it is disputable to distinguish structural elements in the highest goal from the point of view of subjects, their development as consumers and producers and as subjects having free time. The fact is that the origin of the person as a consumer takes place through production and through consumption itself. As far as free time is concerned, it is, as K. Marx noted, utilised: "partly for the consumption of products and partly for free activity...."<sup>8</sup> It is therefore hardly justified to distinguish free time as an independent element of the goal. In our opinion one cannot agree with the inclusion of the equalization of consumption conditions in the structure of the highest goal, if only because this process is limited in time and is not characteristic of the communist mode of production taken as a whole.

We think that it would be more correct to link the necessity of delineating structural elements within the confines of a single production goal in both phases of communism with the different forms of its realization. The complete welfare and thorough development of the individual can be cited as examples of the latter. The equalization of consumption conditions and the increase in free time also find reflection in these forms. The delineation of the individual's thorough development as a separate (together with complete welfare) structural element of socialist production's highest goal is because the individual's thorough development and complete welfare are distinguished by the sphere of needs satisfied the methods of realization and the time required.

Complete welfare presumes above all the most complete satisfaction of needs for material goods and services. The development of capabilities takes place primarily only as a consequence of the satisfaction of needs. Only goods which are the result of production are considered as objects of needs in this regard. As far as needs such as for labor, creativity, etc. are concerned, they can only be satisfied if conditions are created for the thorough development of each member of society.

The difference between complete welfare and the thorough development of the individual makes itself especially clear when we talk about the methods and historical stages of implementation. Socialist society, inheriting the material conditions of production which were created by capitalism, cannot at first completely create the conditions promoting the free, thorough development of each

member of society. At this stage in the construction of socialism the highest goal of socialist production is realized mainly through the attainment of ever greater welfare, while the individual's development as a goal in itself is secondary, to be attained as labor is transformed into the primary vital need on the basis of further improvements in the forces of production and production relations.

The delineation of complete welfare and the individual's thorough development as independent structural elements does not at all mean that there is no unity between them. On the contrary, they supplement one another and only in this organic unity ensure the realization of social production's goals. The thorough development of all members of society cannot be attained without achieving a definite and very high level of welfare which, in its turn, is characterized by a corresponding degree of the development and satisfaction of needs. In other words, one cannot attain complete welfare without creating the conditions for the thorough development of each member of society. In principle, therefore, the attainment of complete welfare and the thorough development of the individual are two sides of the single goal of socialist (communist) society. Depending upon the historical stage in our nation's development and the condition of productive forces, one can speak only of different degrees of coordination between these sides and of the varying degrees to which one predominates over the other.

Individual consumption by members of socialist (communist) society is linked to each structural element in the highest goal, but is concurrently not reducible to any one of them. It is most closely linked to the process of ensuring the complete welfare of all members of society. It is the sphere for the satisfaction of a number of material and spiritual needs. Expansion and growth in individual consumption leads to growth in national welfare. The role of individual consumption in the realization of socialist production's highest goal is inversely related to the development of production, the productive forces of society and to labor as a primary vital need. Under conditions where labor is to a considerable degree a means of living, the labor activities of workers are guided not only by work's characteristics, but to a great extent by the incomes it brings.

The socio-economic direction of individual consumption with regards to ensuring complete welfare predetermines the economic boundaries of individual consumption under socialism. In contrast to capitalism, in socialist society there is a constant expansion of the possibilities for the more complete satisfaction of material and cultural needs. With the development of the system of needs and as labor is transformed into a primary vital need, a law governed process occurs in which there is an ever greater shift of individuals' interests from the sphere of consumption to the sphere of activity and to the performance of labor.

Under socialism individual consumption is not a goal in itself. It does not encompass all social ties of workers in socialist society, within which they conduct their labor activities. Individual consumption and the welfare it guarantees have their basis in labor as a means of life and to an ever greater degree as a primary vital need.

As our society develops, problems involving the thorough development of all its members increasingly assume primary importance. It is especially fitting in this

regard to refer to the following view of K. Marx: "...if one casts off its restricted bourgeois form, what else is wealth other than the universality of needs, capabilities, means of consumption, productive forces, etc. of individuals created by universal exchange? What else is wealth other than the complete development of human sovereignty over natural forces, i.e. over the forces of so-called "nature" and over the forces of its own nature? What else is wealth other than the absolute manifestation of creative human talents without any prerequisites other than the preceding historical development making as the goal in itself the entirety of development, i.e. the development of all human powers as such, irrespective of their previously established scale. Humanity here does not reproduce itself in any one definitive way, but produces itself in its entirety, it does not strive to leave something as finally established, but finds itself in the absolute movement of becoming."<sup>9</sup>

With our economy's movement towards ensuring the conditions for the thorough development of the individual, production is more completely subordinated to consumption and is coming ever closer to the latter with regard to the realization of society's highest goal. The labor process is becoming the sphere of human activity where a number of spiritual and social needs are satisfied. Only the unity of individual consumption and the process of transforming labor into a primary vital need assist in the formation of a new person, and a thoroughly developed individual.

Such development is impossible without a certain level of satisfaction of material and spiritual needs. Therefore, as was noted in materials of the 26th CPSU Congress, first priority is given to tasks in the creation of conditions for the more complete satisfaction of the population's needs for food products and industrial goods.<sup>10</sup> This has made necessary the timely implementation of the USSR Food Program for the period up to 1990, approved by the May Plenum of the CPSU Central Committee. Concurrently, materials from the 26th Congress and the May Plenum clearly show that the more complete satisfaction of material and cultural needs is not a goal in itself, but only serves people's development. The measures outlined by the party, especially those concerning the prospects for social development in the second half of the 1980's distinctly give first priority to tasks involving the creation of conditions for the thorough development of each member of society: ensuring the most favorable conditions for highly productive labor, strengthening its creative character; the general reduction of manual, low skilled and heavy physical labor; the elimination of the difference between mental and physical labor; the transformation of agricultural labor into an equivalent of industrial; the expansion of the potentials for people's harmonious spiritual life; the development of a communist attitude towards labor; an increase in free time and improvements in the forms and organization of Soviet people's leisure, etc.<sup>11</sup> Undoubtedly, the most important precondition and the basis for solving these tasks is the further improvement in individual consumption. Complete welfare and the thorough development of all inherently requires the consumption of material and spiritual wealth, the improvement of which, in conjunction with the process of transforming labor into a primary vital need, should guarantee the progressive development of our society in the interests of all working people.

At the present level of the USSR's socio-economic development the entire complex of tasks to attain ever more complete welfare and the thorough development of all members of society is being rapidly solved. This is supported vividly by the

results of the State Plan for the Economic and Social Development of the USSR during the first half of 1983, making it possible to judge the results of the first half of the 11th Five-Year Plan. In this connection let us turn to some indicators of the various aspects in the growth and improvement of individual consumption in the USSR. First of all one should see that there continues to be considerable growth in people's labor incomes -- the basis for increases in individual consumption. At the end of the first half of 1983 average monthly earnings reached 181.0 rubles, its growth in the past 2.5 years of the 11th Five-Year Plan was 7.1 percent. In the first half of the 11th Five-Year Plan alone, the absolute increase in the earnings of workers and employees was 12.1 rubles. This is more than half of the corresponding indicators for preceding five-year plans , with the exception of 1966-1970 (12.7 rubles). By the beginning of the second half of 1983 the average monthly monetary income of workers and employees, including credits and benefits from public consumption funds, was 249 rubles. This indicator's absolute growth during the first half of the 11th Five-Year Plan (16.2 rubles) exceeds similar figures for preceding plans, except 1966-1970, when it was 17.6 rubles. Payments for the labor of kolkhoz farmers increased 7 percent during January - June 1983. During the first half of the 11th Five-Year Plan its absolute magnitude was greater than for similar periods in all previous plans.

In the first half of 1983 state and cooperative retail trade turnover in the USSR reached 147.7 billion rubles. This is more than during the first half of any preceding year and almost as much as during all of 1970 (155.2 billion). At the same time there still remains a pressing task of more completely meeting with goods the rapidly growing money incomes of the population. Data from the USSR TsSU [Central Statistical Administration] show that during the first half of 1983 our material production did a lot to solve this problem. Thus, the industrial output of meat increased by 9 percent compared to the same period in 1982, that of comestible fish products by 8 percent, animal oils by 19, whole milk products in milk units by 7, vegetable oils by 8 percent, etc. Compared to 1982 there were considerable increases in the production of all these products. The production of all types of industrial consumer goods continued to increase during the first half of the year: color TVs by 11 percent, washing machines by 8 percent and furniture by 5 percent. During this period agriculture, the primary sector for the successful implementation of the USSR Food Program had good prerequisites for further accelerated growth in production. There were increases in plantings on irrigated and drained lands and scientifically based agricultural systems were introduced. There were increases in the numbers of livestock and poultry and improvements in agriculture's material technical supply.

As has already been noted, the problem of realizing socialist production's highest goal cannot be linked only to the consumption of a specific amount of material wealth. Yu. V. Andropov's speech at a CPSU Central Committee meeting with party veterans noted the necessity of: "...inculcating a view of life in which material goods (and in time there should and will be more of them) will not prevail over people, but will serve to satisfy the highest requirements. Only human spiritual wealth is truly infinite. Although it cannot be put in a bag, nor hung on the wall for the sake of prestige, we are for this type of acquisitiveness. It is the only thing worthy of people, of Soviet people."<sup>12</sup>

Improvements in the conditions of work -- the main sphere of human activity -- have a huge role in the expansion and development of the Soviet people's spiritual wealth. This improvement enriches and uplifts working people, strengthens their aspirations to master the riches of culture, to increase their general educational levels and leads them towards greater use of the most important wealth of humanity -- knowledge about nature and society. Under socialism one cannot view improvements in working conditions, in particular mechanization and automation, as only a means of improving production efficiency, although, of course, this facet is extremely important. The rationalization of labor processes must be viewed as the main way of thoroughly developing the individual and, consequently, of achieving the highest goal of socialist production.

From this perspective the results of the first half of the 11th Five-Year Plan indicate a considerable movement forward. This period has seen the creation of 8,200 models of new types of machinery, equipment and instruments and more than 1,100 automated management systems. The number of comprehensively mechanized and automated sections, shops, production operations and enterprises in various industrial sectors, which amounted to 91,000 on 1 July 1981, increased by more than 2,000 in the first half of the current year (in 1982 the increase was 5,000). During January - June 1983 more than 4,000 mechanized flow and automated lines were installed at industrial enterprises. During this same time production has been organized and begun for more than 500 new types of items covered by the State Plan, and if ministry and department plans are included the figure exceeds 1,200.

The intensified process of the creation of a material-technical base for communist conditions of labor means the formation of a much higher foundation both for the further stable growth in individual consumption and public welfare and in the thorough development of the individual. In other words, we are talking about the process of creating conditions for the more complete realization of the goals of socialist (communist) production.

#### FOOTNOTES

1. K. Marx and F. Engels, "Soch. 2-e izd." [Works, 2nd Ed.] Vol 1, p 25.
2. V. I. Lenin, "Poln. sobr. soch." [Complete Works], Vol 6, p 232
3. K. Marx and F. Engels, "Soch. 2-e izd." Vol 19, p 120.
4. K. Marx and F. Engels, "Soch. 2-e izd." Vol 4, p 335
5. F. M. Volkov and Ye. I. Ruzavina, ed. "Ekonomicheskiye osnovy vsestoronnego razvitiya lichnosti" [Economic Basis of the Thorough Development of the Individual], Moscow, 1979, pp 15, 17.
6. A. A. Sergeyev, "Structure and Material-Commodity Expression of the Highest Goal of Socialist Production", In "Osnovnoy ekonomicheskiy zakon sotsializma" [Basic Economic Laws of Socialism] V. N. Cherkovtsa, Moscow, 1978, p 235. And "Ekonomicheskiye osnovy sotsial'noy odnorodnosti obshchestva" [Economic Basis of Social Homogeneity of Society], Moscow 1982, pp 94-95.

7. G. Grigor'yan, "On the Problem of the Effect of the Basic Law of Socialism", EKONOMICHESKIYE NAUKI, 1976, No 2, p 29; A. Melent'yev, "Basic Economic Law of Socialism and the Socio-economic Effectiveness of Production", EKONOMICHESKIYE NAUKI, 1981, No 9, p 27.
8. K. Marx and F. Engels, Works, Vol 26, Part III, p 265.
9. K. Marx and F. Engels, Works, Vol 46, Part I, p 476.
10. "Materialy XXVI s'yezda KPSS" [Materials of the 26th CPSU Congress], Moscow p 45.
11. Op. cit. pp 136-137, 176.
12. PRAVDA, 16 Aug 1983 p 1.

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## CONSUMPTION TRENDS AND POLICIES

### STATE SHOULD ENCOURAGE SECONDHAND SELLING

[Editorial Report] Moscow SOVETSKAYA ROSSIYA in Russian 18 November 1983 First Edition carries on page two a 1,500-word V. Yakovlev article entitled "Bypassing the 'Second-hand Store.'" Dated Groznyi-Moscow, the article describes problems associated with state second-hand stores: premises are uncomfortable, service is slow, and most goods are old and "unfashionable." For this reason, it points out, people prefer to patronize second-hand markets, where the majority of goods are "newish." The author quotes the Chechen-Ingush ASSR internal affairs minister and trade minister on respectively the difficulty of monitoring second-hand markets to prevent speculation and the deficiencies of the second-hand stores. The author shows that people prefer to sell goods at the second-hand markets because they obtain better prices than at the state stores. A consequence of this is a loss to the state of the 7-percent commission levied at the second-hand stores.

V.P. Glyzhenkov, chief of the RSFSR Trade Ministry Main Administration for Trade Organization, interviewed by the writer, acknowledges "problems with pricing goods in the second-hand stores" and says that a pilot scheme is to be introduced in some cities whereby "the owners of an item will themselves fix its price--within the limits of the state price, naturally." However, the writer says, this will not attract sellers of new goods "because many sellers at the market fix prices for new, fashionable goods which are even higher than the 'store' or state prices." He raises the question of whether this is "speculation," but says that "according to the law this is far from always being so," because "consumer demand" must be taken into account. He then quotes Glyachenkov to the effect that goods officially designated "highly fashionable" are beginning to be produced, which will be priced "approximately 30 to 40 percent higher than the ordinary, normative prices." The writer then concludes:

"In other words, the state, when trading in fashionable items, is taking demand for them into account. Thus, why should the owner of a fashionable sweater or suit which is in short supply not do the same? An item in short supply changes its value after it has been purchased through good fortune in a store. After all, it has now had expended on it not only the labor of the worker who made it but the purchaser's 'labor' too. Why not give a person who brings an item to the second-hand store the right to fix a price for certain--highly fashionable--goods which is somewhat higher than in the state store? After all, from all standpoints, including the moral one, it is better for the buyer and seller to come to the second-hand store than to the second-hand market, as is shown by the very frequent shady dealings that go on at the latter."

## CONSUMPTION TRENDS AND POLICIES

### LATVIAN SSR PARTY AKTIV MEETS ON CONSUMER GOODS

[Editorial Report] Riga SOVETSKAYA MOLODEZH' in Russian 19 November 1983 runs on pages 1-3 an article on a meeting of the Latvian SSR republic party aktiv, chaired by first secretary A. Ye. Voss, which took place in Riga on 18 November. The meeting's theme was party responsibility for increasing output and improving the assortment and quality of consumer goods in the republic. The Latvian SSR Ministry of Light Industry is not taking appropriate measures to revolutionize production technology. "Hundreds of state workers are involved in trade policy, and we must bring this involvement to a manageable level," the article says. "An interdepartmental soviet exists for the study of consumer demand, comprised of representatives of all interested ministries and departments. However, the most simple goods disappear abruptly from the shelves. At the same time an overflow of other goods exists, and they have settled like sediment on the shelves. There are still some industry leaders who are obviously underestimating and at the same time ignoring the demands of trade, forgetting that these demands are a determining factor in planning consumer goods production." An exhortation to the state that more attention should be paid to company stores ends the article.

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